

RECHARGED

2021 Annual Report & Accounts



"During what has been a **landmark year in the history** of Leadway Assurance Limited, we have continued to deliver for shareholders"



...our strategy for insurance business is RECHARGED

Our strategy remains relevant and consistent to support our ambition to become a global player in the insurance business from the day of our establishment.

Our vision remains clear: while our products will remain at the core of our business. We are fully recharged.





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//

Getting our foot into new spaces and provide innovative solutions that last, has been a strong feature of the Leadway story.

//

Mr. Tunde Hassan-Odukale
Managing Director / CEO



//

Our ambition for the insurance business transformation is to pursue a strategy that is consistent, Responding to increased shareholder interest.

//





Result at a glance

Scale

We are an integrated insurance business. We have operations in Nigeria and Cote D'Ivoire.

311

Employees

24

Branches

20+

Retail Insurance

Performance

Our 2021 performance has helped us deliver for our shareholders and other stakeholders, including insurance consumers worldwide.

₦500b

Total Asset base

₦81b

Shareholders' Funds

₦70b

Premium Income

₦47.7b

claims

Over view



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Vision Mission

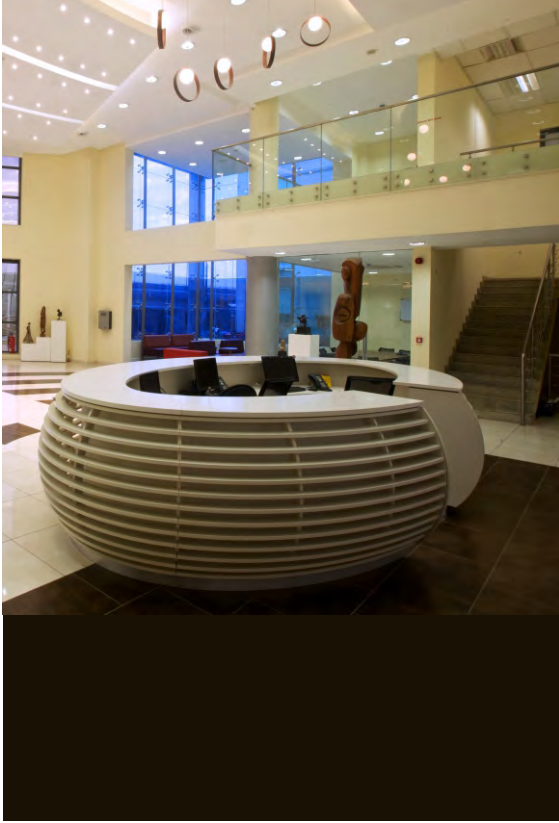
Vision Statement

To be a leading insurance company and non-banking financial solutions provider in Nigeria, leveraging on our strategic capabilities in other selected markets.

Mission Statement

To be a service provider of choice, bringing insurance as a risk management tool to the consciousness of all; adding value to our clients and other stakeholders in an efficient and reliable manner.





Who We Are

What We Do

Leadway offers insurance services in life and general businesses (property & casualty). Leadway also offers allied financial services like bond, secured credit, miscellaneous financial losses and fund/portfolio management.

Leadway enjoys the patronage of clients spanning all the major industries including Construction & Engineering, Manufacturing, Oil and Gas, Shipping, Government Establishments, Ministries and Parastatals. Leadway increasingly attracts patronage from retail clients from a wide variety of backgrounds.

Our Responsibilities

In discharging our responsibilities, we pledge that come what may -rain or shine, dull or bright- the Company must always meet its financial obligations to all its customers, primary of which is claims. Without claims there will be no insurance business.

The conceptual basis of our Camel logo is rested on the slogan of the company being an Efficient and Reliable carrier of financial burden/obligations which in turn ensures the happiness of its customers.

Our Culture

The Leadway Assurance has come a long way since its establishment in 1970 to carry on business as a composite insurer.

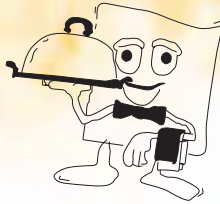
Its Board of Directors comprises of men and women of integrity with several decades of experience in financial services and other diverse fields in between them. The Board is collectively responsible for the success of the company and works with management to achieve company objectives.

Our Core Values



Integrity

- Acting with honesty and honor towards all our stakeholders without compromising the truth.



Service

- Serving our customers in timely, responsive, pro-active manner and meeting their needs and aiming to delight.



Customer focus

- Seeking to determine the needs of our customers and taking action to satisfy them.

iSCORE



Openness

- Sharing information with our customers, listening to them, receiving constructive feedback and confronting ethical problems immediately.



Respect for the individual

- Treating every customer with utmost dignity and according them all the attention and care due to them.



Excellence

- Confidently pursuing highest service quality and giving the best to our customers that warrants our persistent commitment.

// We have an established operational and prompt delivery. //

The One For You.

Insurance, Pensions, Health, Wealth & Trusts



Corporate Office:

121/123, Funso Williams Avenue, Iponri
G.P.O Box 6437, Marina Lagos
Tel: (01) 2700 700

Registered Office:

NN 28/29 Constitution Road,
Kaduna.

Website: www.leadway.com

Email: insure@leadway.com

Connect with us on:     

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Notice of the 50th Annual General Meeting

Notice is hereby given that the **50th Annual General Meeting of LEADWAY ASSURANCE COMPANY LIMITED** will convene virtually via Cisco Webex on Thursday, 14th April, 2022 at 11am for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements for the year ended 31st December, 2021 and the reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint Mrs. Adebisi Lamikanra and Dr. Ademola Odeyemi as Directors.
4. To re-elect Mr. Martyn Parker and Mr. Ire Hassan-Odukale who in accordance with Section 285 (1 & 2) of the Companies and Allied Matters Act 2020, retire by rotation, but are eligible and offer themselves for re-election.
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To disclose the remuneration of Managers.

BY ORDER OF THE BOARD



Olumide Hanson
COMPANY SECRETARY
FRC/2019/NBA/00000019064
121/123, Funso Williams Avenue,
Iponri, Surulere,
Lagos.

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her. In view of the Covid-19 pandemic, attendance shall be virtual and also by proxy. To be valid, executed forms of proxy should be deposited at the Office of the Company Secretary, Leadway Assurance Company Limited, 121/123, Funso Williams Avenue, Surulere, Lagos, or sent via email to c-secretariat@leadway.com not later than 48 hours before the time of holding the meeting.
2. The Register of Members and their shareholding is available for inspection, at the office of the Company Secretary during normal business hours, from the date of this notice until the close of business on Tuesday 12Th April, 2022.



Olumide Hanson
Company Secretary

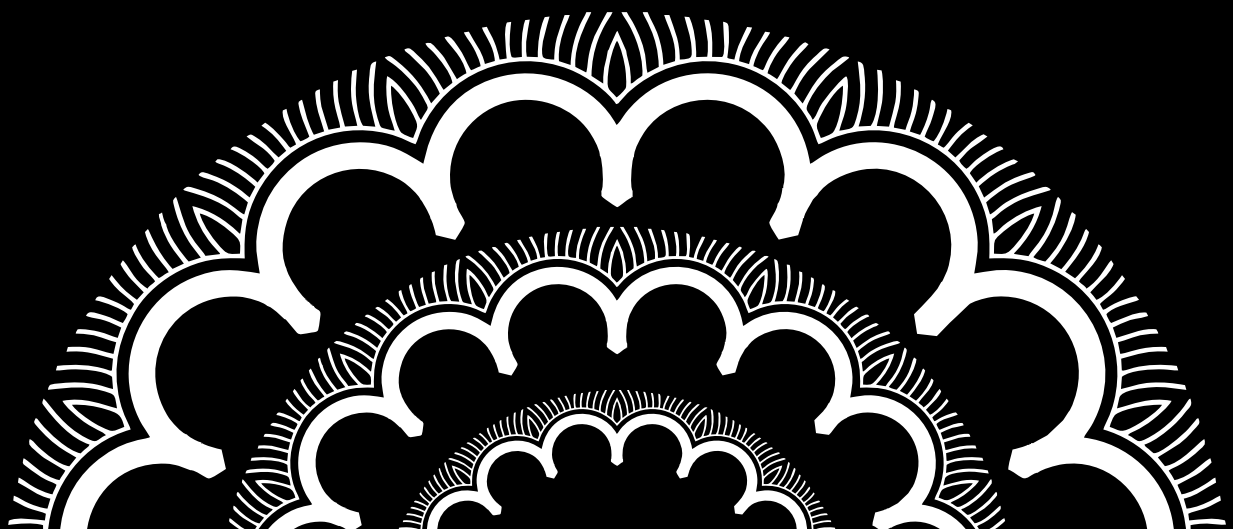


Business Review

Business Review

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“While we remain mindful of the current increasingly difficult political and macro-economic environment, we shall continue to ensure steady growth of your business by focusing on retail sales, leveraging on digital infrastructures and expanding our penetration across Africa.”



Gen. (rtd) Martin Luther Agwai, cfr
Chairman

Repositioning insurance

Our purpose is repositioning insurance for people and the world at large. This will frame our thinking, our activities and our interactions.

Reinventing LEADWAY

Introducing a new structure, new leadership team and new ways of working.

Performing while transforming

Our commitment to reliable insurance services remain unchanged. And our investor proposition remains unchanged.

Chairman's Statement

Appendix

Group Financial Statement

Governance

Business Review

Overview

Dear Shareholders, Members of the Board of Directors, Stakeholders here present, Ladies and Gentlemen, it is my pleasure to welcome you to the 50th Annual General Meeting of your company, to present to you our annual reports and accounts for the year ended 31st December, 2021 and to consider the performance of our company.

OPERATING ENVIRONMENT

The anticipated enthusiasm for economic recovery from the debilitating impact of the Covid-19 pandemic and other unanticipated challenges faced during year 2020 was moderated by various Covid-19 variants, surging energy costs and global supply disruptions.

Despite the impact of the Covid-19 Pandemic and other economic challenges. We witnessed improved earnings during the year. This was largely driven by increased vaccination rates and accommodative monetary and fiscal policies.

According to the Nigerian Bureau of Statistics (NBS) the country's Gross Domestic Product (GDP) grew by 3.4% year on year in 2021 with an estimated value of N72.3 trillion in real terms, representing an increase from the 1.9% contraction recorded in 2020. This growth rate was reported to be the fastest recorded in Nigeria in 7 years. While the Oil Sector's contribution fell to 7.24% in 2021 from 8.16% in 2020, the Non-Oil Sector's contribution which includes the financial, insurance and agricultural sectors, increased from 91.84% in 2020 to 92.76% in 2021.

Crude oil prices increased in 2021 due to relaxed pandemic-related restrictions, and growth in global economy. Nigeria was unable to meet its crude oil production allocation by the Organization of Petroleum Exporting Countries (OPEC) while importation of petroleum products remained on the rise.

The Nigerian Stock Exchange All Share Index (ASI) also recorded an increase of 6.07%, closing the year at 42,716 points as against 40,270 recorded in 2020. The Consumer Price Index (CPI) being the major inflation indicator, decreased marginally by 15.63% at the end of 2021 compared to 15.75% recorded in 2020.

The Naira depreciated against the US Dollar by 10% from N394.00/\$ to N435.00/\$ at the Investors and Exporters (I&E) Window while in the parallel market, the spread with the official market widened to over N100/\$ due to the restriction in dollar supply from the Central Bank of Nigeria, all of which impacted inflation.

Notwithstanding the various indices, the Nigerian economy fared better in 2021 compared to its performance in the previous year.

INSURANCE INDUSTRY

In spite of the challenging landscape of the preceding year which was characterized by various forms of economic disruptions and rising claims, the Nigerian insurance industry maintained a marginal increase in insurance penetration.

Amidst the significantly reduced purchasing power and available liquidity, the experience of the prior year increased societal awareness on the need for insurance as a risk management mechanism despite less than 1% insurance penetration. The data obtained from the NBS reflected that the financial and insurance sector's contribution to the country's GDP grew by 10.07% in 2021 from 9.37% growth in 2020. Indeed, the hope that the renewed insurance awareness will improve Nigeria's insurance penetration and grow the industry, is rekindled.

The industry regulator, the National Insurance Commission (NAICOM) continued its efforts to domesticate compulsory insurance implementation across the nation as it launched its much anticipated online portal in 2021, with the core objective to enhance data collection, bridge the information gap that has characterised the sector in the past and to ensure efficient interface with its stakeholders.

The Commission also released the NAICOM Corporate Governance Guidelines for Insurance and Reinsurance Companies 2021 to assist in the implementation of the Nigerian Code of Corporate Governance 2018 (NCCG) and to ensure that improved good Corporate Governance is embedded in specific areas

within the insurance industry not specifically captured by NCCG.

One of the other initiatives of the regulator was the release of the revised Market Conduct Guideline to ensure that insurance institutions conduct themselves in a professional manner and in accordance with international best practices. We are optimistic that the various efforts by the regulator will foster an improved relationship between the insurance operators and the regulator and compel voluntary compliance.

The new Finance Act, 2021 effective 1st January 2022 introduced a new dimension to the suspended recapitalization exercise of the regulator as the Act replaced Paid Up Capital with Capital requirement thereby expanding the requirement cum capital base of an insurance company to include other components of shareholders' funds (share capital, share premium, retained earnings, contingency reserves, less defined liabilities, amongst others).

FINANCIAL RESULTS

Despite the challenging operating environment, the initiatives and strategies of the company yielded significant results which was reflective of the commitment and resilience of all stakeholders to exceed its status quo.

The Gross Written Premium (GWP) grew by 31% from ₦53.8billion in 2020 to ₦70.6billion in the year under review, profit before tax recorded a slight increase of 5% from ₦11.4billion in the previous year to ₦12billion. Whilst the increase in GWP is largely due to a 46.7% increase in our Life insurance business, specifically the Annuity portfolio, the positive returns on investment and other income helped to achieve the marginal increase in profit.

Claims expenses increased from ₦43.5billion in 2020 to ₦47.8billion in 2021 with annuity pay out of ₦31.3billion accounting for the largest proportion of this amount, followed by over ₦8billion net claim expenses in General Insurance. Investment income declined by 27% from ₦37.3billion in 2020 to ₦27.1billion with interest income from bonds dominating our investment income, Underwriting and Operating expenses increased by 24% and 16% respectively compared to 2020.

Chairman's Statement

Total assets declined by 4.4% from ₦525.3billion in 2020 to ₦502billion in 2021.

DIVIDEND

In fulfilment of consistent return on your capital and equity investments, the Board of Directors recommends a cash dividend of ₦3.5billion which translates to 35 kobo per ordinary share subject to withholding tax at the prevailing rate and pending approval at this Annual General Meeting.

FUTURE OUTLOOK

While we remain mindful of the current increasingly difficult political and macro-economic environment, we shall continue to ensure steady growth of your business by focusing on retail sales, leveraging on digital infrastructures and expanding our penetration across Africa.

To this end, your company commenced a new phase of its strategy with the commitment to remain the most dominant Insurance Company in Nigeria in Revenue and Profit market share within the corporate and retail market segments.

We are enthusiastic about the pathway towards the implementation of the new financial standards, IFRS 9 and 17, and are

confident that its eventual launch will, amongst several other things, reaffirm the real individual standing of Leadway and ability as risk bearers and project confidence in Leadway as the strongest burden carrier to accommodate any insurance claim.

We shall remain quality-minded, result-oriented and dedicated to maintaining our leadership across all our chosen market of operations.

DIRECTORS' APPOINTMENT

In our commitment to continuously refresh the Board and improve diversity of experience and expertise within the company, the Board appointed, two seasoned Independent Non-Executive Directors; Mrs. Adebisi Lamikanra and Dr. Ademola Odeyemi.

The directors will be presented to shareholders for ratification during the course of this meeting.

CONCLUSION

As we collectively garner our experience and expertise to soar your company to an enviable height, we count on your steady support and understanding in our commitment to maximise shareholders' wealth.

We wish to express our unreserved appreciation to our customer and stakeholders for choosing Leadway as their partner of choice. We remain committed to inspire you with our improved value creation.

Our heartfelt gratitude to our exceptionally talented staff for their doggedness which consistently spurs us to provide good customer experience.

The world, as we know it today, presents a challenge of stepping up to the quick revolving innovative ideas birth by the new generation. While we are content with our successes so far, we remain insatiable in our quest to reach for more and service many until our brand is engraved in every home and businesses.

Thank you.



Gen. (rtd) Martin Luther Agwai, cfr
Chairman

The Gross Written Premium (GWP) grew by 31% from N53.8billion in 2020 to N70.6billion in the year under review, profit before tax recorded a slight increase of 5% from N11.4billion in the previous year to N12billion.



LEADWAY
Health♥

Switch to more care

**#MakeTheSmarterChoice,
Switch to Leadway Health HMO.**



Corporate Office:
121/123, Funso Williams Avenue, Ikorodu
G.P.O Box 6437, Marina Lagos

Registered Office:
NN 28/29 Constitution Road,
Kaduna.

Website: www.leadwayhealth.com
Email: healthsales@leadway.com
Connect with us on:

Corporate Information

**Certificate of
Incorporation Number**
RC 7588

NAICOM License Number
RIC-025

Date of Incorporation
22 September, 1970

DIRECTORS

Gen. (rtd) Martin Luther Agwai	Chairman, Independent
Mr. Tunde Hassan-Odukale	Managing Director
Ms. Adetola Adegbaaji	Executive Director
Mr. Odein Ajumogobia	Non-Executive Director, Independent
Mr. Martyn Parker	Non-Executive Director
Mr. Ire Hassan-Odukale	Non-Executive Director
Mr. Seyi Bickersteth	Non-Executive Director, Independent (deceased)
Ms. Hadiza Aliko Mohammed	Non-Executive Director, Independent (Appointed wef 1 April, 2021)
Mrs. Adebisi Lamikanra	Non-Executive Director, Independent (Appointed wef 19 July, 2021)
Dr. Ademola Odeyemi	Non-Executive Director, Independent (Appointed wef 28 September, 2021)

Company Secretary
Olumide Hanson
FRC/2019/NBA/00000019064

Registered Office
NN 28/29 Constitution road,
Kaduna State Nigeria
www.leadway.com



Bankers and other Professional Advisors**Auditors**

KPMG Professional Services
KPMG Towers
Bishop Aboyade Cole Street
Victoria Island, Lagos
Tel: (01) 2718955
Kabir Okunola (Singing Partner)
FRC/2012/ICAN/00000000428

Bankers

Access Bank Plc
Citibank Nigeria Limited
FBN Bank (UK) Limited
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Limited
FSDH Merchant Bank Nigeria Limited
Guaranty Trust Bank Plc
Keystone Bank Nigeria Limited
Polaris Bank Plc
Stanbic IBTC Bank Plc
Standard Chartered Bank Nigeria Limited
Standard Chartered Bank United Kingdom
Standard Chartered Bank Cote d'Ivoire
Sterling Bank Plc
Union Bank Plc
United Bank of Africa Plc
Wema Bank Plc
Zenith bank Plc
La Fayette Microfinance Bank

Reinsurers

African Reinsurance Corporation
Continental Reinsurance Plc
Waica Reinsurance
Hannover Reinsurance Company Limited
General Insurance Company, Indian
Swiss Reinsurance Africa Limited
AIG Europe
Kiln Syndicate
Chubb Limited

Actuaries

Ernst & Young Nigeria
FRC/2012/NAS/00000000738

Estate Surveyor and Valuer

Diya Fatimilehin & Co.
FRC/2013/NIESV/000000002773



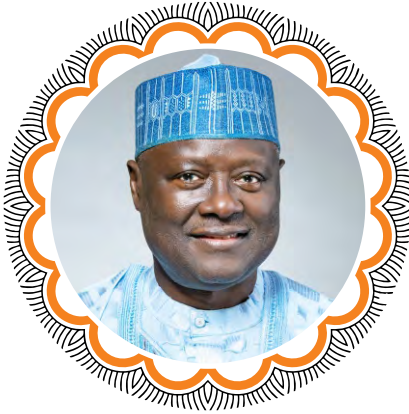
Governance

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Board of Directors



Gen. Martin Luther Agwai (Rtd)
Chairman

- Visiting Professor, African Leadership Center, London
- Former Chief of Army Staff, Nigerian Army
- Former Chief of Defense Staff, Nigerian Army
- Former Chairman, Subsidy Reinvestment Programme
- Alumnus, National Defense University, Washington DC, USA
- Alumnus, Administrative Staff College of Nigeria



Mr. Tunde Hassan-Odukale
Managing Director / CEO

- Chairman, First Bank of Nigeria Ltd.
- Member, Royal Society of Mathematics and the Institute of Actuaries
- Former Director, Stanbic IBTC Bank Plc
- Former Director, Union Assurance
- Alumnus, University of London
- Alumnus, City University, London
- Alumnus, Harvard Business School, USA



Mr. Odein Ajumogobia SAN.
Director (Non-Executive, Independent)

- Member of Nigerian Bar Association
- Fellow, Chartered Institute of Arbitrators (FCI) Arb London.
- Former Attorney General and Commissioner of Justice, Rivers State
- Former Minister of State for Petroleum Resources
- Former Minister of Foreign Affairs
- Alumnus, Harvard Law School, Massachusetts.

Board of Directors



Mr. Martyn Parker
Director (Non-Executive)

- Chairman of Swiss Re Life & Health Africa
- Former Deputy Chairman of Vina Re in Vietnam
- Former Executive Director of Swiss Re Life and Health Australia
- Former Executive Director Swiss Re Asset Management Hong Kong
- Former Chief Executive Officer of Swiss Re Life and Health UK
- Fellow, Chartered Insurance Institute
- Fellow, of London Chartered Insurance Institute



Dr. Ademola Odeyemi
Director (Non-Executive, Independent)

- Former Executive Director, Guaranty Trust Bank, Plc
- Fellows, Institute of chartered Accounts of Nigeria
- Member of chartered Institute of Taxation
- Alumnus, Obafemi Awolowo Unifesity
- Alumnus, Havard Business School
- Alumnus, Wharton Business School
- Doctor of Philosophy, Tests and Measurement Obafemi Awolowo University



Ms. Hadiza Aliko Mohammed
Director (Non-Executive, Independent)

- Chief Executive Officer, The Recovery place Nigeria ltd
- Partner, C Clear consulting
- Former Director, Nigeria Aviation Hardly Company (NAHCO)
- Former Managing Director Turners Building Products (A) ltd
- Alumnus, University of Surrey
- Alumnus, University of Gloucestershire
- Member, Institute of Director
- Associate, Chartered Insurance Institute UK

Board of Directors



Mrs. Adebisi Lamikanra
Director (Non-Executive, Independent)

- Director, Standard Chartered Bank Nigeria
- Director, Evercare Hospital Lekki
- Director, Corona Schools Trust
- Former Partner, Andersen Nigeria
- Former Partner, KPMG Nigeria.
- Fellow, Institute of Chartered Accountants of Nigeria
- Alumnus, University of Lagos
- Alumnus, Lagos Business School
- Alumnus, Harvard Business School.



Mr. Ire Hassan-Odukale
Director (Non-Executive)

- Co-founder of Ikoyi London Limited.
- Member of the Chartered Institute of Insurance.
- Graduate of LSE (London School of Economics and Political Science), UK.
- Non-Executive Director at Leadway Hotels Limited until March, 2020.
- One of 10 graduates recruited into JLT's graduate scheme in 2008 out of a pool.
- Former staff of AIG Europe Limited.



Ms. Adetola Adegbayi
Executive Director / General Business

- Director, Leadway Hotels Limited
- Director, Energy and Allied Insurance Pool of Nigeria
- Director, Nigerian Liability Insurance Pool
- Associate, Chartered Insurance Institute, London
- Associate, Chartered Institute of Arbitrators, UK.
- Former Director, Prestige Assurance Plc.
- Alumnus, University of Bristol, UK.
- Alumnus, University of South Wales, UK.
- Alumnus, Harvard Business School, USA

Board of Directors



Mr. Olumide Hanson
Company Secretary

- Member, Chartered Institute of Arbitrators, United Kingdom
- Member, Nigerian Bar Association
- Alumnus, University of Lagos
- Fellow, Institute of Chartered Secretaries and Administrators, UK.



THE ALL IN ONE COVER



WHAT YOU NEED TO PROTECT YOUR BUSINESS

- Business Officers and Content Insurance
- Occupier's Liability Insurance for Visitors
- Motor Vehicle Insurance
- Employees' Life Insurance
- Other Assets and Liabilities Insurance

AVAILABLE IN BASIC, BRONZE, SILVER, GOLD AND PLATINUM PLANS
Call 01-2800700 or Email: Lcs@leadway.com to get started.

NACOM/CA/INV/2019/280

Corporate Office:

121/123 Funso Williams Avenue, Iponri
G.P.O. Box 6437, Marina, Lagos.
Tel: (01)2800700
E-mail: Lcs@leadway.com

Registered Office:

NN 28/29 Constitution Road
Kaduna
Website: www.leadway.com

Connect with us on:



Director's Report

For The Year Ended 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

The directors have pleasure in presenting their annual report on the affairs of Leadway Assurance Company Limited ("the Company") and subsidiary company ("the Group") together with the consolidated and separate financial statements and the auditor's report for the year ended 31 December 2021

Legal form and principal activity

The Company was incorporated in Nigeria as a private limited liability company in September 1970. It obtained a license to operate as an insurance company in January 1971 and commenced business in January 1971.

The Company is principally engaged in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life business insurance services to both corporate and individual customers.

Subsidiary company

a. The company owns 99.99% share holding in Leadway Vie Limited ("The Subsidiary"). The subsidiary, a Life insurance services provider based in Cote D'Ivoire, was acquired in April 2018, having obtained control over it and obtaining other regulatory approvals in Nigeria and Cote D'Ivoire.

Operating results

The highlights of the Group and Company's operating results for the year ended 31 December 2021 is as follows:

	Group 31-Dec-21	Group 30-Dec-20	Company 31-Dec-21	Company 30-Dec-20
	N'000	N'000	N'000	N'000
Gross premium written	70,624,353	53,858,944	70,107,557	53,653,676
Profit before tax	11,956,794	11,413,184	12,487,251	11,533,278
Income tax expense	(575,767)	(225,902)	(541,735)	(223,737)
Profit for the year	11,381,027	11,187,282	11,945,516	11,309,541
Other comprehensive income	4,317,798	5,787,960	4,317,798	5,787,960
Total comprehensive income	15,698,825	16,975,242	16,263,314	17,097,501
Earnings per share (kobo) - Basic/diluted	114	112	119	113
Profit attributable to:				
- Owners of the Company	11,381,083	11,187,294	11,945,516	11,309,541
- Non-controlling interest (Loss)	(56)	(12)	-	-
	11,381,027	11,187,282	11,945,516	11,309,541
Appropriation of profit attributable to owners of the company				
Transfer to:				
- Contingency reserve	2,353,018	1,664,029	2,353,022	1,664,027
- Retained earnings	9,028,065	9,523,264	9,592,494	9,645,514
	11,381,083	11,187,293	11,945,516	11,309,541

Dividends

b. The dividend declared and paid in 2021 was a cash dividend of N3.5bn (2020: N3.5bn) at 17.5 kobo per share (2020: 17.5 kobo per share). A dividend of N3.5bn will be proposed at the next annual general meeting in respect of the year ended 31 Dec 2021. This has been disclosed in the financial statements.

Director's Report cont'd

For The Year Ended 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Directors and their interest

In accordance with sections 301 and 302 of the Companies and Allied Matters Act of Nigeria, 2020, Every company shall keep a register showing as respects each director of the company (not being its holiday company) the number, description and amount of shares in, debentures of the company or any other corporate body. The directors who held office, together with their direct and indirect interests in the shares of the company, were as follows:

		Direct 31-Dec-21	Indirect 31-Dec-21	Direct 31-Dec-20	Indirect 31-Dec-20
Gen. Martin Luther Agwai	Chairman, Independent	-	-	-	-
Mr. Tunde Hassan-Odukale	Managing Director	-	1,069,352	-	1,069,352
Ms. Adetola Adegbayi	Executive Director	26,061	-	26,061	-
Mr. Odein Ajumogobia	Non-Executive Director, Independent	-	-	-	-
Mr. Martyn Parker	Non-Executive Director	-	-	-	-
Mr. Ire Hassan-Odukale	Non-Executive Director	-	-	-	-
Mr. Seyi Bickersteth *	Non-Executive Director, Independent	-	-	-	-
Ms. Hadiza Aliko Mohammed**	Non-Executive Director, Independent	-	-	-	-
Mrs. Adebisi Lamikanra **	Non-Executive Director, Independent	-	-	-	-
Dr. Ademola Odeyemi**	Non-Executive Director, Independent	-	-	-	-

Retirement and appointment of Directors

* Following the demise of the erstwhile Director and Chairman, Audit Committee on 3rd March, 2021, the Board of the company appointed three additional seasoned directors.

**The Board of Directors of the Company appointed Ms. Hadiza Aliko Mohammed and Mrs. Adebisi Lamikanra as Independent Non-Executive Directors effective 1 April, 2021 and 29 July, 2021 respectively.

**Dr. Ademola Odeyemi was also appointed as Independent Non-Executive Director effective 28 September, 2021

Analysis of shareholding

The analysis of the distribution of the shares of the Company is as follows:

31 December 2021

Share range	No of shareholders	Percentage of shareholders	No of holdings ('000)	Percentage of holdings
Above 800,000,000	6	16%	14,870,686	74%
400,000,001 - 800,000,000	5	13%	3,193,863	16%
200,000,001 - 400,000,000	4	10%	1,000,181	5%
100,000,001 - 200,000,000	4	10%	544,781	3%
Below 100,000,000	20	51%	390,489	2%
Total	39	100%	20,000,000	100%

31 December 2020

Share range	No of shareholders	Percentage of shareholders	No of holdings ('000)	Percentage of holdings
Above 800,000,000	6	16%	14,870,686	74%
400,000,001 - 800,000,000	5	13%	3,190,863	16%
200,000,001 - 400,000,000	4	10%	1,000,181	5%
100,000,001 - 200,000,000	4	10%	544,781	3%
Below 100,000,000	20	51%	393,489	2%
Total	39	100%	20,000,000	100%

Shareholders with Substantial Interest in Shares

Name of shareholders	Nationality of shareholder	No. of holdings ('000)	Percentage of holdings
Swiss Re Investment Company Limited	Switzerland	5,000,000	25%
Sir. Hassan O. Odukale TRUST	Nigeria	3,934,561	20%
OHO Investments Ltd.	Nigeria	2,481,517	12%
Leadway Capital & Trusts Ltd.	Nigeria	1,459,639	7%
Book Holding I Limited	Mauritius	1,069,352	5%

Property and equipment

Information relating to changes in property and equipment is given in Note 12 to these financial statements.

Director's Report cont'd

For The Year Ended 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Donations and charitable gifts

A total sum of N56,021,744 (2020: N205,507,493) was donated to non-political and charitable organizations, in order to identify with the aspirations of the community and the environment within which the Company operates (see note 34). Details of such donations and charitable contributions are as follows:

Beneficiaries

(All amounts in Naira)

ACE Charity
ACE Charity
Blooming Minds Kids Agency Ltd
Chartered Insurance Institute of Nigeria
Covenant University
Debriche Health Development Center

Dept. of Obstetrics & Gynaecology LUTH

Federal Road Safety Corps
Genotype Foundation
Gideon Orphanage Home
Gideon Orphanage Home

God's Home for Women Foundation
Heritage Home
Ibadan Golf Club
Ile-Aanu Olu

Ilshah Health Center

Kaduna State
Lagos Chamber of Commerce and Industry
Lagos, Ogun & Kaduna State Governments
Lagos State Government
Lagos State Security Trust Fund
Lagos Waste Management Authority

Lystra Nigeria Limited
National Institute of Marketing

NEEM Foundation
Nigeria Correctional Center

Nigerian Council of Registered Ins. Brokers
Nigerian Girl Guides Association
Nigerian Insurers Association
Ogun State Security Trust Fund
Preventive Health Managers
Pride Multi Media Ventures Ltd
Professional Insurance Ladies Association
Renal Dialysis Center
Runtown Communications

Safe Driving Academy
Sapphital Learning Ltd

Shakara Square

Slum2School
SUNTAB New Ventures Limited
The National Association Of Insurance and Pension Correspondents

Purpose

Support for IDP's Through Ace Charity
Sir Hassan 2021 Remembrance CSR
Sponsorship of Blooming Kids 2020 Young Writers
Sponsorship of CIFM
Support for Convocation Ceremony
Sponsorship of the 2021 Debriche Center TB/Leprosy Advocacy Campaign in Abuja
Maintenance of Bathrooms & Toilets for Dept of Gynaecology Luth 2020/2021
Payment for 2020 FRSC Support
Year 2021 Symposium Support
Sir Hassan Remembrance 2021: Payment of School
Sir Hassan Remembrance 2021: Underwear for Gideon Orphanage Kids
Donation to the GWHF 2021 financial Goals
School Fes for 1 child at Heritage Home
Ibadan Golf Club Support
Sir Hassan Remembrance 2021 CSR: Support for Educational Materials
50th Anniversary CSR: Equipment Donation to Ilshah Health Centre
50th Anniversary CSR: Kaduna Borehole Donation
LCCI Support
Food Supplies to Covid Centers in Lagos/Ogun/Kaduna
Lagos State Government COVID-19 CSR Scheme
Donation to LSSTF
Donation to LAWMA Workers on International Women's Day
Ajura Community Lightning Project
Donation to NATIONAL INSTITUTE OF MARKETING OF NIG.
Support for IDP's through NEEM Foundation
Prison CSR: Procurement of Freezers for Kirikiri Female Prison & Payment for Pressure Pump
The Nigerian Council of Registered Insurance Brokers
Support for Girls Guides Association
Donation towards the Covid 19 Pandemic through the NIA
2020 Donation to the OGSSTF
Iponri Police Barracks Project
Payment for 30 Youths at the 2021 Lagos Enterprise Week
Support to PILA Support
Support for the 2020 World Kidney Day Symposium
Founders Remembrance: Bethesda Laptop Gift

Sponsorship of 100 E-Learners at the SMEDAN Digital Academy
Premium for insurance cover for Shakara Square Athletes for the 2020 Fitness Season
Anniversary CSR: Education Sponsorship
2021 Building support to Ikoyi Obalende Schools

Support to NAIPCO
Support to Federal Government of Nigeria on supplies of COVID 19 materials

Support of COVID-19 Drive Through Testing Centre
Payment for VIO Support

31-Dec-21	31-Dec-20
2,876,560	2,876,560
200,000	-
-	180,000
-	250,000
300,000	-
200,000	-
900,000	-
-	230,000
200,000	-
68,000	-
107,000	-
500,000	-
-	150,000
-	100,000
120,000	-
-	1,428,850
-	1,535,700
-	100,000
-	76,995,842
-	17,000,000
5,000,000	5,000,000
-	886,000
3,144,070	-
-	100,000
3,333,333	3,333,333
778,398	-
-	225,000
-	270,000
-	41,000,000
5,000,000	5,000,000
14,178,700	-
450,000	-
-	300,000
-	500,000
451,500	-
-	200,000
1,440,000	-
-	250,000
2,500,000	-
12,000,000	-
-	200,000
-	45,991,455
-	300,000
-	715,450
2,274,183	389,303
56,021,744	205,507,493

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Director's Report cont'd

For The Year Ended 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

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Post balance sheet events

Aside from the dividend of N17.5k. per share proposed by the Board of Directors (Dec 2020: N17.5k) there were no other events subsequent to the financial date which require adjustment to, or disclosure in, these financial statements.

Group Financial Statement

Diversity in Employment

The group is an equal opportunity employer. Its recruitment process is devoid of any form of racial, gender or religious bias. The group boasts of a diverse and modern workforce made up of individuals (male and female) with varying skills, backgrounds and experiences. The inclusive environment promotes equity and self-belief among employees and discourages all forms of discrimination.

Employment of disabled persons

The Group operates a non-discriminatory policy in the consideration of applications for employment, including those received from disabled persons. The Group's policy is that the most qualified and experienced persons are recruited for appropriate job levels irrespective of an applicant's state of origin, ethnicity, religion or physical condition. In the event of any employee becoming disabled in the course of employment, the Group is in a position to arrange appropriate training to ensure the continuous employment of such a person without subjecting him/her to any disadvantage in his/her career development. Currently, the group has 2 persons in its employment with physical disability.

Governance

Health, safety and welfare of employees

The Group maintains business premises designed with a view to guaranteeing the safety and healthy living conditions of its employees and customers alike. Employees are adequately insured against occupational and other hazards. In response to the Covid-19 pandemic, several awareness articles on health and safety were published to help employees maintain physical and mental fitness. In addition, contactless thermometers were made available for checking temperatures of all coming into the premises. Hand sanitizers and anti-bacterial wipes were procured and placed in strategic places where they can easily be reached. Physical meetings were discouraged and percentage of workforce allowed to work physically in the office was limited to 60%. The Group also operates a contributory pension plan in line with the Pension Reform Act, 2014. It is also fully compliant with the provisions of the Employee Compensation Act. Employees are also covered under the Group Personal Accident and Workmen's Compensation Insurance schemes.

Business Review

Employee involvement and training

The Group encourages participation of employees in arriving at decisions in respect of matters affecting their well-being. Thus, the Group provides opportunities for employees to deliberate on issues affecting them, with a view to making inputs to decisions thereon. The Group places a high premium on the development of its manpower. Consequently, employees are sponsored for various training courses both locally and internationally.

Overview

Directors' interests in contracts

In accordance with sections 302 and 303 of the Companies and Allied Matters Act of Nigeria, 2020, none of the directors has notified the Company of any declarable interest in contracts deliberated by the Company during the year (2020: Nil).

Auditors

Messrs KPMG professional services having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue on office as auditors to the company in accordance with section 401 (2) of the companies and Allied Matters Act of Nigeria, 2020.

BY ORDER OF THE BOARD

Olumide Hanson

FRC/2019/NBA/00000019064
Company Secretary
121/123 Funso Williams Avenue
Iponri
Lagos

17 February, 2022

Statement of Directors' Responsibilities in relation to the consolidated and separate financial statements

For the year ended 31 December 2021

The Directors accept responsibility for the preparation of the annual (consolidated and separate) financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act, CAMA 2020, the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, Laws of the Federation of Nigeria, 2020 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made assessment of the Group and Company's ability to continue as a going concern and have no reason to believe that the Group and Company will not remain a going concern in the year ahead

SIGNED ON BEHALF OF THE DIRECTORS BY:



General (Rtd) Martin Luther Agwai
Chairman
FRC/2019/CDIR/00000019923
26 February 2022



Mr. Tunde Hassan-Odukale
Managing Director
FRC/2013/IODN/00000002040
26 February 2022

Report of External Consultants on the Board Performance Evaluation of Leadway Assurance Limited



Ernst & Young
UBA House, 10th Floor
57 Marina, Lagos

Tel: (234 -1) 4630479, 4630480
Fax: (234 -1) 4630481
E-mail: services@ng.ey.co

Report of External Consultants on the Board Performance Evaluation of Leadway Assurance Limited

We have performed the evaluation of the Board of Leadway Assurance Limited for the year ended 31st December 2021 in accordance with the requirements of Section 4.0 (i) of the National Insurance Commission (NAICOM) Corporate Governance Guidelines for Insurance and Re- Insurance Companies in Nigeria (CGGIRC) 2021, and Section 15.1 of the Financial Reporting Council's (FRC) Nigerian Code of Corporate Governance (NCCG) 2018.

The NAICOM CGGIRC (2021) mandates an annual evaluation of the Board and individual Directors of Insurance Companies, while subsection 15.2 of the NCCG states that the summary of the report of this evaluation should be included in the Company's annual report and on the investors' portal of the Company.

Our approach included the review of Leadway Assurance's Corporate Governance framework, and all relevant policies and procedures. We obtained written representation through online questionnaires administered to the Board members and conducted one-on-one interviews with Directors.

The evaluation is limited in nature, and as such may not necessarily disclose all significant matters about the company or reveal irregularities, in the underlying information.

On the basis of our work, the Board of Leadway Assurance has complied with the requirements of Section 4.0 (i) of the NAICOM CGGIRC 2021 and Subsection 15.1 of the NCCG during the year ended 31st December 2021. Specific recommendations for further improvement of Leadway Assurance's Corporate Governance practices have been articulated and included in our detailed report to the Board

Benson Uwheru, Partner

Financial Services Risk Management West Africa Leader
FRC/2013/CIBN/00000001554

Corporate Governance Report

For The Year Ended 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Introduction

Leadway Assurance Company Limited is committed to adhering with high standards of good corporate governance at all levels of its operations. The Board of Directors has continued to ensure the implementation of corporate governance principles that guarantee fairness, accountability and transparency in all its dealings within and outside the Company and its subsidiary company. Leadway complies with all laws, regulations, rules and guidelines, applicable to insurance business, including the Code of Business Ethics and the Nigerian Code of Corporate Governance issued by the Financial Reporting Council (FRC).

COMPOSITION OF DIRECTORS

The Board of Leadway comprises a total of nine (9) directors as at 31 December 2021. This includes the Chairman, (who is an Independent Non-Executive Director), the Managing Director, one Executive Director, two Non-Executive Directors and four Independent Non-Executive Directors. The members of the Board are reliable, skilled and bring to the Board decades of experience and expertise which positively impact the oversight responsibility of the Board. Their level of expertise has manifested in the strategic direction of the company and high quality of management policies formulated over the years.

SEPARATION OF THE ROLE OF THE CHAIRMAN FROM THE MANAGING DIRECTOR

The way and manner the company structured the roles of the Chairman and the Managing Director has assisted in averting overlaps of roles. The Chairman who is first among equals is responsible for the overall leadership of the Board and for creating enabling environment for the effectiveness of individual directors, while the Managing Director is responsible for the day-to-day running of the company to achieve overall efficiency of management controls. This is done in accordance with the Nigerian Code of Corporate Governance 2018.

GENDER DIVERSITY

Leadway Assurance understands that gender diversity is fundamental to the success and sustainability of the company and enriches discussions among directors, better reflects the company's relationship with all of its stakeholders and allows for improved stewardship from a risk- management perspective. The company has its diversity policy and has committed to establish measurable objectives for achieving diversity on the Board and within management positions. In accordance with global best practice and good corporate governance, the Company maintains a female to male proportion of 33% to 67% respectively on the Board. Also, the company maintains a 40% to 60% proportion of women to male employees of the company, out of which a portion of 31% female to 69% male exist at the Senior Management level. The company intends to continue to create a diverse and inclusive culture by deliberately promoting increased women representation in Management positions and overall employees, based on availability of vacancy and appropriately-skilled candidates. The company remains committed to improve other dimensions on diversity to reflect global best standard and will reflect its efforts in future disclosures.

PROCESS OF BOARD APPOINTMENT

The process for the selection, nomination and appointment of a candidate to the Board is essential to ensure the Company has an optimum combination of experience and commitment and achieve the effectiveness of the Board.

Potential candidates are identified by referrals of suitably qualified individuals by other Directors; and/or engaging external consultants that will present diverse candidates from the pool of candidates sourced.

The Nomination, Remuneration and Governance Board Committee is saddled with the responsibility of engaging, interview and recommending the suitable candidates, having regard to the expertise,

integrity, qualification, age, experience, positive attributes, independence, competency, relationships, industry standing, diversity of gender, background, professional skills and personal qualities required to operate successfully as director. The Committee is further guided by the Succession and Diversity policies in its engagement. In the year under review, Mrs. Adebisi Lamikanra and Dr. Ademola Odeyemi were appointed as directors and will be presented to shareholders at the Annual General Meeting for approval.

Board Training and Induction

The Chairman, in conjunction with the Company Secretary, is responsible for ensuring that induction programmes are conducted for new Directors and a continuing education programme is in place for all Directors. The Continuing education is expected to assist directors to consistently familiarize themselves with their roles and responsibilities, Corporate Governance, the Company's strategic plan, operations, and the business environment within which the company operates.

New directors undergo a three-day orientation and Induction programme which holds within three months of the director's appointment and entail an engagement with the Management of the company coordinated by the Company Secretary. The various sessions provides directors with understanding of the company's business, current strategy/business plan, Organization Structure, delegation of authority, Board and Board Committees' annual plan, Corporate Governance and Risk Management information, the company's Board approved policies and Code of Conduct. The session also provides an insight into the Financial and Capital Management of the company.

Directors are encouraged to attend internal and external seminars and workshops that are organized on the financial standards, new development within Corporate Governance and Mandatory trainings organized by the regulator, in order to enhance their skills and knowledge.

During the year, the directors of the company attended the following trainings/ seminars to enhance their knowledge in the discharge of their duties within the company.

IFRS 17 and 9 Training for Director facilitated by Ernst & Young
Corporate Governance Training for Directors facilitated by Ernst & Young

Insurance Directors Conference 2021 organized by National Insurance Commission and College of Insurance on Corporate Governance.

BOARD EVALUATION

The assessment of the effectiveness of the Board is key in the Board Governance Structure. The Board undergoes a rigorous evaluation process every year to assess the performance of the Board, its committees, individual directors and assessment of the Corporate Governance Practices. This exercise has been previously carried out by an independent external consultants and the Company Secretariat with outcomes reported to the Board and the sectoral regulator.

In 2020, Ernst & Young carried out the evaluation of the Board, its committees, the Chairman, individual Directors, and the Company's corporate governance practices. This was in compliance with the Nigerian Code of Corporate Governance 2018 which requires the exercise to be facilitated once every three years by an Independent External Consultant. This exercise involved the use the Board Effectiveness Maturity Assessment Model which allows for quantitative performance assessment with a road map to

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For The Year Ended 31 December 2021

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improvement. This tool adequately assisted in the evaluation of the effectiveness of directors on the Board.

In view of the requirement by the National Insurance Commission (NAICOM) Corporate Governance Guidelines 2021, which provides for Board Evaluation to be facilitated annually by an Independent External Consultant, the evaluation for the year 2021 will be conducted by Ernst & Young. The consultant understands the expectation on Corporate Governance and is expected to improve on the internally-driven Board Evaluation for the year 2020, measure the extent of resolution of the gaps identified and provide an independent assessment report that will be submitted to the company's regulator.

DIRECTORS STANDING FOR RE-ELECTION

In compliance with Section 285 (1 & 2) of the Companies and Allied Matters Act 2020, one-third of the company's directors are required to retire by rotation at the Annual General Meeting (AGM). This is applicable to directors who have been longest in office since their last election.

Consequently, Mr. Martyn Parker and Mr. Ire Hassan-Odukale are up for retirement and are both eligible for re-election. They have both offered themselves for re-election.

The Nomination, Remuneration and Governance Committee has the responsibility to review and assess the performance of the Directors that are subject to re-election at the AGM and submits its recommendation to the Board for the proposed re-election being presented to the Shareholders for approval. The Committee makes its recommendation, taking into consideration, value contribution at Board and Board Committee meetings, deliverables on the expectations in relation to his role and responsibilities and continuing value to the Board through in-depth reasoning, knowledge, experience and expertise.

BOARD RESPONSIBILITY

The Board is saddled with the responsibility of making policies for the company, reviewing corporate performance, monitoring strategic decisions while ensuring regulatory compliance, safeguarding shareholders' interest and fulfilling the expectations of stakeholders. The Board met six times in the last financial year and through their leadership, the company was able to achieve its set objectives. The record of the attendance is provided below:

Names	3rd February, 2021	18th February, 2021	20th May, 2021	29th July, 2021	20th October, 2021
Gen. (rtd) Martin Luther Agwai (Chairman, Independent)	✓	✓	✓	✓	✓
Mr. Odein Ajumogobia (Non-Executive, Independent)	✓	✓	✓	✓	✓
Mr. Seyi Bickersteth (Non-Executive, Independent)	✓	✓	NLD	NLD	NLD
Mr. Martyn Parker (Non-Executive)	✓	✓	✓	✓	✓
Mr. Ire Hassan-Odukale (Non-Executive)	✓	✓	✓	✓	✓
Ms. Hadiza Aliko Mohammed (Non-Executive, Independent)	NYA	NYA	✓	✓	✓
Mrs. Adebisi Lamikanra (Non-Executive, Independent)	NYA	NYA	NYA	✓	✓
Dr. Ademola Odeyemi (Non-Executive, Independent)	NYA	NYA	NYA	NYA	✓
Mr. Tunde Hassan-Odukale (Managing Director)	✓	✓	✓	✓	✓
Ms. Adetola Adegbayi (Executive Director)	✓	✓	✓	✓	*

Key:
 ✓ Present NYA - Not Yet Appointed NLD - No Longer Director * Apology

Committees of the board

The Board committees have been engineered to ensure proper coordination and effectiveness and these committees are saddled with responsibilities which are aimed at enhancing the operations of the company. Over the years, the committees have rendered immense assistance to the Board through regular reporting. Below are the committees of the Board:

Corporate Governance Report cont'd

For The Year Ended 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

a. Enterprise Risk Management and Technical Committee:

The Committee comprise four Non-Executive Directors and two Executive Directors. Mr. Martyn Parker Chairs the Committee and other membership are Mr. Odein Ajumogobia (Independent), Ms. Hadiza Aliko Mohammed (Independent), Dr. Ademola Odeyemi (independent), Mr. Tunde Hassan-Odukale (Managing Director) and Ms. Adetola Adegbayi (Executive Director).

This committee assists the Board in carrying out its oversight responsibilities by:

- Coordinating and overseeing the application and effectiveness of technical controls and analysis in the insurance activities;
- Enhancing the quality, effectiveness and relevance of insurance technical reports and management information;
- Overseeing the strategic risk management process and monitoring the quality, integrity, reliability and effectiveness of the process;
- Reviewing the adequacy and effectiveness of controls on the development, introduction and maintenance of IT systems and processes.

The Committee held four meetings in the year 2021 and the attendance of directors stated below:

Meetings Held	1	2	3	4
Names	1st February, 2021	18th May, 2021	27th July, 2021	9th December, 2021
Mr. Martyn Parker (Chairman, Non-Executive)	✓	✓	✓	✓
Mr. Odein Ajumogobia (Non-Executive, Independent)	✓	✓	✓	*
Mr. Seyi Bickersteth (Non-Executive, Independent)	✓	NLD	NLD	NLD
Ms. Hadiza Aliko Mohammed (Independent, Non-Executive)	NYA	NYA	✓	✓
Dr. Ademola Odeyemi (Independent, Non-Executive)	NYA	NYA	NYA	✓
Mr. Tunde Hassan-Odukale (Managing Director)	✓	✓	✓	✓
Ms. Adetola Adegbayi (Executive Director)	✓	✓	✓	✓

Key:

✓ Present NYA - Not Yet Appointed NLD – No Longer Director * Apology

b. Audit & Compliance Committee

"The Committee comprise three Non-Executive Directors. Mrs. Adebisi Lamikanra (Independent) Chairs the Committee (who replaced the erstwhile Chairman, Mr. Seyi Bickersteth) and other membership are Mr. Martyn Parker (Non-Executive Director), and Mr. Ire Hassan-Odukale (Non-Executive Director). All members of the committee are financially literate and can read and understand financial statements. The Committee Chairperson is a financial expert, have current knowledge in accounting and financial management and is able to interpret financial statements.

This committee assists the Board in carrying out its oversight responsibilities by:

- Monitoring the Nigerian regulatory environment for threats and/or opportunities
- Reviewing the Company's relationship with relevant regulatory agencies and authorities and recommend required steps and activities for improvement in such relationships;
- Monitoring overall compliance by the Company with the provisions of the National Insurance Commission (NAICOM) and other relevant industry regulations;
- Co-ordinating and overseeing the effectiveness of the Company's audit management and shall assist the internal and external Auditors in preparing financial reports;

The committee held three meetings in the year 2021 and the attendance of directors stated below:

Meetings Held	1	2	3
Names	2nd February, 2021	19th May, 2021	28th July, 2021
Mr. Seyi Bickersteth (Independent, erstwhile Chairman)	✓	NLD	NLD
Mrs. Adebisi Lamikanra (Independent, New Chairperson)	NYA	NYA	NYA
Mr. Martyn Parker (Non-Executive)	✓	✓	✓
Mr. Ire Hassan-Odukale (Non-Executive)	✓	✓	✓

Key: ✓ Present NYA - Not Yet Appointed NLD – No Longer Director

c. Finance, Investment & General Purpose Committee

The Committee comprise three Non-Executive Directors and two Executive Directors. Mr. Odein Ajumogobia (Independent) Chairs the Committee and other membership are Ms. Hadiza Aliko Mohammed (Independent), Dr. Ademola Odeyemi (Independent), Mr. Ire Hassan-Odukale (Non-Executive Director), Mr. Tunde Hassan-Odukale (Managing Director) and Ms. Adetola Adegbayi (Executive Director).

This committee assists the Board in carrying out its oversight responsibilities by:

- Reviewing Management Accounts and report to the Board against Best Practice;
- Developing, monitoring and reviewing efficiency of the Company's investment policies;
- Determining, developing and reviewing the Company's investment parameters in consistence with business trends, Company's investment capacity and compliance obligations;
- Ensuring at all times that the Company's investment policies reflect the objectives of safety and maintenance affair returns on investments;
- Establishing standards, rules and guidelines for the Company's investment management operations;
- Evaluating the value of the daily marked-to-market portfolios and make proposals to the Company's Board accordingly;
- Reviewing from time to time the Company's investment strategy with a view to sustaining medium to long term competitive edge.

The committee held three meetings in the year 2021 and the attendance of directors stated below:

Meetings Held	1	2	3
Names	2nd February, 2021	19th May, 2021	28th July, 2021
Mr. Odein Ajumogobia (Independent, Chairman)	✓	✓	✓
Mr. Ire Hassan-Odukale (Non-Executive)	✓	✓	✓
Ms. Hadiza Aliko Mohammed (Non-Executive, Independent)	NYA	NYA	✓
Dr. Ademola Odeyemi (Non-Executive, Independent)	NYA	NYA	NYA
Mr. Tunde Hassan-Odukale (Managing Director)	✓	✓	✓
Ms. Adetola Adegbayi (Executive Director)	✓	✓	✓

Key:

✓ Present NYA - Not Yet Appointed

d. Nomination, Remuneration & Governance Committee

The Committee comprise three Non-Executive Directors. Mr. Martyn Parker (Non-Executive Director) Chairs the Committee and the other members are Mr. Odein Ajumogobia (Independent), Mrs. Adebisi Lamikanra (Independent) and Mr. Ire Hassan-Odukale (Non-Executive Director).

This committee assists the Board in carrying out its oversight responsibilities by:

- annually review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and other Committees;
- give full consideration to and ensure the company has a succession policy and planning for Chairman of the Board, Managing Director, all other Executive Directors, Non-Executive Directors and other Senior Management positions;
- be responsible for the process of identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- establish a formal and transparent process for Board appointments, including establishing the criteria for appointment to the Board and Board committees, reviewing prospective candidates' qualifications and any potential conflict of interest; assessing the contribution of current Directors against their re-nomination suitability, and making appropriate recommendations to the Board;
- develop a process for, and ensure that the Board undertakes, an annual performance evaluation of itself, its committees, the Chairman and individual Directors, as well as the Company's corporate governance practices.
- undertake the annual assessment of the independent status of Independent Non-Executive Directors (INED);
- Consider the extent to which the company's governance arrangements are consistent with the various Corporate Governance Codes, and make recommendations to the Board accordingly;
- Review the governance section of the annual report and make recommendations to the Board for approval;
- Develop, review, administer and recommend to the Board for approval of Corporate Governance policies;
- Review annually the Key Performance Indicators (KPIs) set for the Chief Executive and Executive Directors by the Board and their performance evaluation;
- Ensure the development and periodic review of Board charters, Board committee charters and other governance policies, such as the code of ethics, conflict of interest and whistleblowing policies among others.

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For The Year Ended 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

The committee held three meetings in the year 2021 and the attendance of directors stated below:

Meetings Held	1	2	3	4
Names	3rd February, 2021	20th May, 2021	12th July, 2021	20th October, 2021
Mr. Martyn Parker (Non-Executive Director, Chairman)	✓	✓	✓	✓
Mr. Seyi Bickersteth (Independent, Non-Executive)	✓	NLD	NLD	NLD
Mr. Odein Ajumogobia (Independent, Non-Executive)	NYA	NYA	✓	NLD
Mrs. Adebisi Lamikanra (Independent, Non-Executive)	NYA	NYA	NYA	✓
Mr. Ire Hassan-Odukale (Non-Executive Director)	✓	✓	✓	✓

Key:

✓ Present NYA - Not Yet Appointed NLD – No Longer Director

CUMMULATIVE YEARS OF SERVICE

a. Tenure of directors

The tenure for the Managing Director and the Executive Directors are determined by the Board taking into account performance, the existing succession planning mechanism, continuity of the Board and the need for continuous refreshing of the Board. The tenure of each of the company's Non-Executive Director is for a defined period and can be re-elected for additional terms subject to satisfactory performance and approval by the shareholders. However, the principles of Nigerian Code of Corporate Governance 2018 caps the tenure of an Independent Non-Executive Director at a cumulative term of nine years.

	Directors	Date of Admission	Years of Service
1	Gen. Martin Luther Agwai (Chairman, Independent)	10th November, 2016	5 years 2 months
2	Tunde Hassan-Odukale (Managing Director)	1st January, 2020	2 year
3	Mr. Seyi Bickersteth (Non-Executive, Independent) Demised	31st July 2007	4 years, 2 months
4	Adetola Adegbaaji (Executive Director)	6th December, 2012	9 years, 1 month
5	Mr. Odein Ajumogobia (Non-Executive, Independent)	1st January, 2017	5 years
6	Mr. Martyn Parker (Non-Executive)	3rd February, 2020	1 year, 11 months
7	Mr. Ire Hassan-Odukale (Non-Executive)	8th May, 2020	1year, 8 months
8	Ms. Hadiza Aliko Mohammed (Non-Executive, Independent)	1st April, 2021	9 months
9	Mrs. Adebisi Lamikanra (Non-Executive, Independent)	19th July, 2021	5 months
10	Dr. Ademola Odeyemi (Non-Executive, Independent)	28th September, 2021	3 months

The director and Chairman, Audit & Compliance Committee became deceased on 3rd March, 2021.

b. External auditor

KPMG Professional Services was appointed as the company's External Auditor in 2018 following the expiration of the 5 year tenure of PricewaterhouseCoopers Chartered Accountants as required by the National Insurance Commission Code of Corporate Governance 2009. This was before the advent of the Nigerian Code of Corporate Governance 2018 which provided for a 10 year tenure for External Auditors.

The Company went through a tender process and after careful review of the value proposition of the bidders and the commitment to avoid potential conflict of interests in relation to non-audit services and ensure the independence of the auditor, KPMG was selected and approved by the company's shareholders.

In compliance with the NAICOM Corporate Governance Guidelines which provides that the tenure of external auditors shall be for a period of four (4) years in the first instance and may be re-appointed for a further period of four (4) years, the re-appointment of KPMG Professional Services would be presented for approval at the next Annual General Meeting. This will be subject to NAICOM's approval."

The audit partner leading the 2021 financial audit is Kabir Okunola and has held the role for four years. The role of audit partner will be rotated after completion of the 2021 year end audit in line with the NAICOM Corporate Governance Guidelines.



Corporate Governance Report cont'd

For The Year Ended 31 December 2021

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c. Statement on availability of code of business conduct and ethics

The company has a Board approved Code of Business Conduct and Ethics which sets out broad principles and practices that guide each and every member of the Board, Management and employees in their conduct and decision making for the company. The directors, Management and employees are abreast with the Code of Business Conduct and Ethics and have declared their understanding of their fiduciary duty to shareholders and other stakeholders of the Company.

HIGHLIGHTS OF HUMAN RESOURCES MANAGEMENT

HR policy highlights

The Company continues to review her governance frame works, risks as well as proactively design human resource practices that will enable it thrive as dynamics of the workplace evolves. The Human Resources policies are reviewed periodically as part of the company's commitment to ensure continued applicability and growing changes in the Human Resource space and workspace dynamism.

The year 2021 demanded speed and agility while employing a unique approach to solving problems. The Covid-19 variants remained unabated, however our Risk management framework and processes matured considerably and remained adaptable to changing circumstances. With 90% staff vaccination and strict compliance with Covid-19 preventive measures, there was no mortality or severe casualty within the year.

The company has maintained hybrid model of work and embraced the concept of Micro-workers, Mobile workers, Gig workers etc. The various technologies utilized for hybrid work models continue to set us apart while enhancing collaboration and delivery of excellent service to customers.

In furtherance of our strategy, we will continue to embrace multiple change management approaches that guarantees a Customer experience culture that provides value to our stakeholders.

- **Performance Management Policy** is to establish and maintain a performance culture, creating an enabling environment for employees to develop their abilities and achieve optimal possible potential to ensure a workplace where the staff performance review process is fair, consistently applied and shall not be perceived nor used as a punitive system. The process is designed to measure the achievement of company strategic goals.

- **Recruitment & Selection Policy** seek to attract, select, recruit and retain people with the right skill set, expertise, experience and qualifications to meet business aspirations, whilst offering a rewarding and fulfilling career with opportunities for growth and personal development. The recruitment process is driven by the Workforce plan, utilizing the Build, Borrow, Buy and Bounce strategy.

- **Compensation & Benefit Policy** adopts a compensation philosophy that ensures employees are equitably remunerated within competitive market salary scales to drive and reward excellent performance while utilizing global recognized frameworks. The aim is to maintain a pay structure that attracts, motivates and retains the highest caliber of talents at all levels. These include recognition awards, short and long term incentives pay as well as non-monetary rewards, benefits and perquisites.

WORKPLACE INITIATIVES

- **Capability Building** – One of such is Leader-led sessions, a business continuity initiative that ensures knowledge transfer across the company it provides the opportunity to directly address knowledge gaps from day to day operation and increase breadth of knowledge in teams. We also have instituted, job rotation and expansions, mentorship and coaching frameworks, Talent Exchange programme and pipeline building, Quarterly Performance Reviews where we proactively assess market dynamics and align our strategies accordingly. We strategically partnered with Functional Experts to drive expertise in functional areas, thereby skilling employees, ensuring they are at par with colleagues globally.

- **Employee Engagement and Support** – The Company recognizes that employee engagement is a key driver of productivity which directly impacts profitability. It has multifaceted initiatives to feel the pulse of the workforce and creating tools and drivers for such engagements that the drive workplace productivity. These include Annual Engagement Surveys, Town Halls and Village Meetings, Open days, Dial in sessions, CSR events, power clusters etc. In addition we practice customized onboarding systems, Team Bonding, Happy Hour, motivational talks, career conversations. We have structured support systems such as fund channels, Health plans and annual medical checks, Gym, Crèche, Corporate Fitness, interdepartmental-games, Employee Wellbeing Sessions as well as Employee Assistance Programs in place to drive positive mental wellbeing and create an exceptional employee experience

- **Diversity and Inclusion** – As an equal opportunity organization, the company is committed to an inclusive culture that respects and embraces the diversity of employees, clients and community. This aims to attract, develop and retain the best people from all culture, ethnicity, gender, abilities, background and experiences. We increased the numbers of differently abled employees to the workforce and modified the working environment to cater for this category of employees.

- **Culture Audit** – This is a detailed assessment of the organization's culture to help us determine overall working environment, employee sentiments, and unspoken rules around employee interactions and team communication. This will assist the company to determine the critical areas to focus on towards positively increasing employee experience, drive focus on our customer centric culture and achieve our aspirations over the next few years.

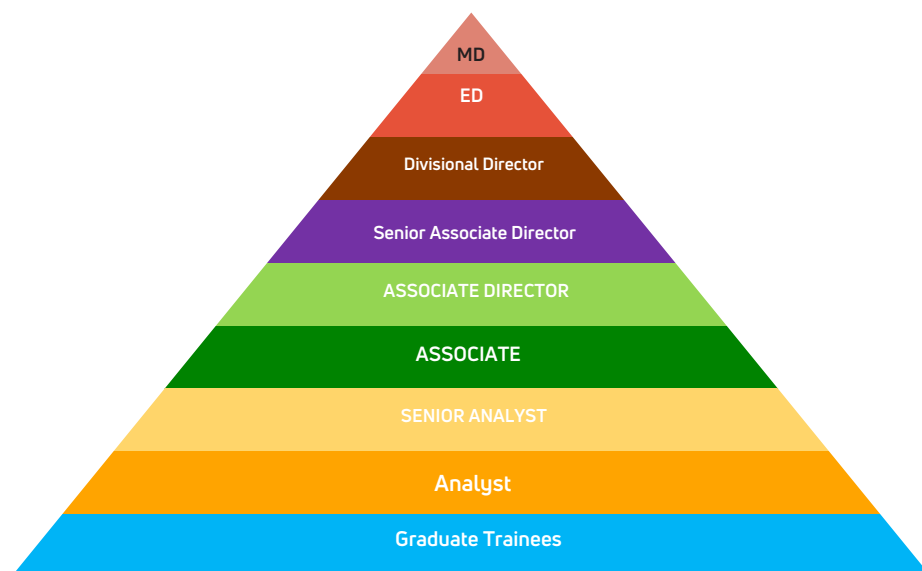
Corporate Governance Report cont'd

For The Year Ended 31 December 2021

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INTERNAL MANAGEMENT STRUCTURE

The internal Management Structure of the company is as reflected below.



HIGHLIGHTS OF PROGRAMS ON SOCIAL ISSUES

HIGHLIGHTS OF CASES OF CLAW BACK

In line with the company's Claw Back policy, the Nomination, Remuneration & Governance Committee has reviewed the company's account and financial performance to ascertain if there has been undeserved award arising from the company's account and financial performance that has been materially false, misstated, misleading, erroneous, or there has been instances of misdemeanour, fraud, material violation of Company policy or material regulatory infractions.

The Committee has satisfied itself that there is no incidence necessitating the company to recover excess or undeserved reward, such as bonuses, incentives, share of profits, or any performance-based reward, from Directors and senior employees

FINES AND PENALTIES

This has been disclosed in notes 40 & 41

NATURE OF ANY RELATED PARTY TRANSACTIONS

This has been disclosed in note 39

DIRECTORS' REMUNERATION POLICY

Remuneration policy of Leadway was approved in 2019 and shall apply for a period of three (3) years except there is an earlier review to ensure its continued appropriateness and applicability. The remuneration of Non-executive directors is not necessarily market leading but reflective of the prudence and conservatism of the company without undermining sufficient remuneration commensurate with the dedication and responsibility of directors.

The remuneration of Executive Directors is fairly competitive and incentivizes the directors to achieve the business plan, in alignment with company's long term strategy and to promote the retention of executive directors.

The remuneration of directors takes into primary consideration the performance of the company and prevailing economic situation.

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KEY ASPECTS OF THE REMUNERATION POLICY OF DIRECTORS

EXECUTIVE DIRECTORS

Remuneration Elements	Payment mode
Basic Salary Salaries earned during the payroll period. Benefits and Allowance (In cash or kind) An amount paid as Benefits/packages by the company to meet the basic needs.	Monthly Annually
Variable Pay A performance based sum awarded to Executive Directors for attaining or exceeding their assigned	• Quantitative Gross Premium, Profit Before Tax (PBT), Taxes, Return on Invested Capital (ROIC) and performance of Leadway.
Long term incentive plan A plan created to reward directors for attaining company's long term goals and shareholders' interest. This aids the retention of key personnel and promotes commitment to long term growth.	• Qualitative Strategic milestones and initiatives that need to be achieved and implemented on areas such as strategy, innovation, business development, synergy, human capital management, financial management and societal development.

Category- Fixed/Variable	Component	Component description
Fixed	Fees	A fixed annual sum provided to Non- Executive Directors for their ongoing contribution to the Board and as an incentive to attract and retain talent. This is payable on a quarterly basis.
Fixed	Meeting/ Sitting allowance	A payment made to Non-Executive Directors on a per-meeting basis. This is condition on attendance (physical or virtual) which is a prerequisite for remittance.
Fixed	Medical Allowance	A fixed annual amount paid to Non-Executive Directors for the medical needs and upkeep. This is payable on the first working day of every year.

Highlights of the remuneration paid to directors is contained in Note 33 of this report.

Corporate Governance Report cont'd

For The Year Ended 31 December 2021

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SUMMARY OF RISK MANAGEMENT FRAMEWORK

Introduction

The Summary of the Risk Management Framework is contained in the Risk Management disclosures on page 52.

STATEMENT ON THE COMPANY'S ESG ACTIVITIES

We have initiated the process of incorporating environmental, social, and responsible corporate governance (ESG) processes into our fundamental business operations across the entire value chain. As an employer of labor, we place a high value on how our employees are treated and have put in place framework conditions to encourage employee well-being and drive personal and professional growth. From a sense of corporate social responsibility, the Company supports a large number of initiatives and projects that have made significant impact in the lives of the disadvantaged in the society, ensuring nationwide reach from Internal Displaced Persons, public schools and physically challenged persons across the country. For us, operating ethically entails creating value for both the company and society. This we have entrenched using our broad iSCORE Philosophy, which has been the basis for our voluntary commitments and supports as referenced under the Donations & Charitable gifts of the company in "Directors' Report" section of the annual report as well as our efforts to mitigate the impact of the Covid-19 pandemic.

We have also begun a digitization journey to actively manage our environment at all of our facilities and gradually target Group-wide carbon-neutrality. We are also working on increasing our products and services while strengthening our corporate governance frameworks, recognizing that the promotion of various projects is critical for the economic and social development.

In collaboration with stakeholders, we will continue to utilize our financial industry experience and knowledge to promote relevant projects and build a more sustainable and truly prosperous society."

STATEMENT ON THE BOARD'S LEVEL OF APPLICATION OF THE CORPORATE GOVERNANCE CODE

The Board of Leadway Assurance engaged the services of Ernst & Young to evaluate its level of compliance with the Nigerian Code of Corporate Governance 2018. The Board, in its commitment to ensure compliance with the Code, has taken steps to remedy gaps identified and is now adequately compliant with the application of the Code. The Board will continue to improve its effectiveness to ensure that it becomes a leading practice reference in Corporate Governance for others to emulate.

BY ORDER OF THE BOARD



Olumide Hanson

FRC/2019/NBA/00000019064
Company Secretary
121/123 Funso Williams Avenue

Iponri
Lagos

17 February, 2022

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Feedback and Complaints

For The Year Ended 31 December 2021

Strategy for Handling Customer Feedback and Complaints

Our customers progressively become more informed and erudite, there is greater demand for customized and personalized insurance products and services.

One of our key strategy to providing an enhanced customer experience is our provision of a 24/7 customer service. This ensures continuous customer engagement through our complaints management and customer resolution. Our Investment in technology has grown tremendously to provide our customers with the option of self-service. To this regard a continuous gear to enhancing our own data management is very pertinent. We have also improved our feedback gathering mechanisms. Our services have been extended to managing our customers efficiently through our digital platforms which includes our Mobile Apps, Web chats, WhatsApp and CRM integration. We are constantly incorporating customer feedback from these channels into product design/ redesign. This has resulted in improved product acceptability and reduced cases of product failures and attainment of customer goodwill.

With the above, Leadway seeks to expand its customer loyalty with an all-inclusive view and wider understanding of the customer. Customer journey maps and plans are been developed based on insights and analysis from direct feedback from customers. This has proven to be very effective in understanding customer's pain points and boosting our customer retention.

Complaints Channels

We have provided various channels for customers to provide feedback on our products and services. These platforms include:

- Our Leadway Assurance Company Limited Customer Service front desks, corporate office and designated branches for walk in customers
- Complaint e-mail channel; insure@leadway.com
- Our Leadway Assurance Company Limited hotline; 01-2700700, 01-2800700, 08129997027, 08129997178
- Our website platform; www.leadway.com
- Our Leadway Mobile App
- Our Leadway WhatsApp - 08080577724
- Social media
 - Facebook- www.facebook.com/LeadwayAssurance/
 - Twitter - @LeadwayInsure
 - LinkedIn - www.linkedin.com/company/leadway-assurance-co-ltd

Customers can also pay a visit to any of our Leadway Assurance Company Limited Welcome Centers located across the country for business enquiries and resolution.

Resolution Mechanism

At Leadway Assurance Company Limited, we have put in place a standard system to ensure that customers' feedback are received and promptly resolved. For this purpose we have a dedicated Customer Service Department (CSD) which is responsible for the prompt investigation and resolution of customers' complaints within the approved period. The Customer Service Department liaises with other units within the organization and ensures that customers' complaints are satisfactorily resolved.

Customers' complaints are stream-lined based on the type of complaints to provide an enabling environment for proper monitoring, proper documentation and effective feedback process of received complaints.

The process flow of customer complaint and resolution is as follows:

- The customer care officer acknowledges and attends to the various customers' complaints.
- The complaint is reviewed and it is determined if the complaint could be resolved at first-level.
- Where the complaint can be resolved at the first level, a resolution is immediately provided to the customer.
- If such complaint cannot be resolved at the first level, the customer care officer creates a case on our Dynamics CRM (Customer Relationship Management) application. This will in turn generate a Case ID number for escalation and tracking of case to resolution.
- Customer Care officer forwards and follow-up on the complaint with the appropriate unit in the organisation to handle.
- Upon resolution, the customer is contacted and the resolution is explained to the customer.
- The case is closed and marked as resolved.

In addition to our present process, we are currently building a more robust CRM to adequately manage all complaints and to give the best response time in this area of our services.

Feedback and Complaints

For The Year Ended 31 December 2021

Customers' loyalty and opinion on products

To enrich our customers experience we also periodically evaluate public/customer opinion about our services, products and policies.

The evaluation is conducted in various ways including:

- One-on-one focus meetings with key customers
- Interviews with selected customers
- Online Customer Feedback Survey and Questionnaires administered to customers

This is to afford our organization the opportunity of receiving customers' perception about the company, in order to ensure that efforts can be put in place to close such gap(s) in our service delivery or improve upon the process, service or product.

Feedback on Customers' Complaints to Leadway Assurance

Feedback on customers' complaints is provided to Management and other relevant Units in the organisation

The feedback gathered ensures that:

- Leadway Assurance Company Limited retains her customers as customers feel appreciated and respected,
- The quality service delivery at Leadway Assurance Company Limited is maintained and made uniform across board.
- A reliable source of identifying improvement opportunities is presented to management.
- A reliable source of data on customers' complaints and expectations is collated.

The feedbacks are circulated to management staff through the company's internal information channel for the general information of all staff.

Report of complaints received and resolved by the organisation between January-December 2021.

Month	Complaints received during the year	Number of complaints resolved	Number complaints unresolved	Number of unresolved complaints within SLA*
January				
February	4	4	-	-
March	2	2	-	-
April	8	8	-	-
May	1	1	-	-
June	5	5	-	-
July	2	2	-	-
August	2	2	-	-
September	3	3	-	-
October	4	4	-	-
November	4	4	-	-
December	2	2	-	-
Total	39	39	-	-

Complaints not resolved within the turnaround time, can be attributed mainly to the unavailability of these customers either via mail or phone call after resolution of their complaint but all complaints are usually treated within 24hrs (depending on the source of the error).

Management Discussion and Analysis

This 'Management Discussion and Analysis' (MD&A) has been prepared as at 31 December 2021 and should be read in conjunction with the consolidated financial statement account of Leadway Assurance Company Limited and subsidiary.

Leadway Group is made up of Leadway Assurance Company Limited, (parent company) and one subsidiary Leadway Vie Cote d'Ivoire. The group is registered and incorporated in Nigeria and its major business activities are: provision of Insurance risk underwriting to Public Sector, corporate and individuals customers in Nigeria. The Group is also established and run in such a way that it will become the biggest insurance company in Nigeria with future outlook to expand to other parts of Africa.

Leadway Vie Cote d'Ivoire is a life Insurance Company which was "born digital". Leadway Vie was launched in (2018). The Company completed its second full year this financial year. Leadway Vie has been planned and is being executed as a digital-led business. The Company is continually changing the insurance landscape with its suite of digital tools, products and digitized processes. Leadway Vie will continue to be a pacesetter and a company that can be trusted- we will not tell stories when our customers need us. This remains our first venture outside Nigeria as at this reporting date.

Forward Looking Statements

The MD&A contains factual statements relating to Leadway Assurance Company Limited Group's financial and other projections, expected future plans, event, financial and operating results, objectives and performance as well as underlying assumptions all of which involve risk and uncertainties. These statement reflect management's current belief and are based on information available to Leadway Assurance Company Limited and are subject to certain risk, uncertainties and assumptions.

Business Strategy of the Company and Overall Performance

Leadway is running a new strategic cycle that spans from 2022 to 2024. Our Ambition is to remain the dominant insurance company in Nigeria in Revenue and Profit Market share within the corporate and retail market segments. The Strategy is centered on enhancing our current Business model and growing the market. We would focus on improving Customer Centricity, Building a Leading People & Culture, Rewarding Digital Transformation and reconfiguring the business for agility and efficiency.

To enhance our current business, we would pay attention to improving Operational Efficiency to deliver quality service and Simple and unique customer experience across all touch points. We will seek to maintain our technical leadership by having the best in class underwriting team in the markets that we play. Considering the tightening margins, we would work towards becoming the lowest cost producer in order to continue to deliver value to our customers and shareholders. Our brokers remain our biggest partners, we would seek to strengthen our relationships with them.

For our share of the market to grow, we will continue to grow the market by pursuing new customer segments and distribution channels. We can only serve these new segments by understanding the customer and coming up innovative products that meet their needs, that is within their budget and easily accessible. We believe that the Retail and MSME segments will deliver the next phase of our growth. We would work towards driving insurance uptake by this segment by becoming the Insurer they think of in moments that matter.

Financial Performance

(Amounts are stated in thousands of Nigerian Naira)

	Group			company		
	31-Dec-21	31-Dec-20	% change	31-Dec-21	31-Dec-20	% change
Gross Premium	70,624,353	53,858,944	31%	70,107,557	53,653,676	31%
Net Premium	47,558,050	37,234,965	28%	47,083,619	37,040,412	27%
Total Underwriting Income	50,650,695	39,564,277	28%	50,167,806	39,366,796	27%
Claims expenses	27,128,970	37,275,746	-27%	27,100,693	37,169,982	-27%
Annuity Claim	16,455,880	13,173,185	25%	16,313,010	13,135,325	24%
Underwriting expenses	31,370,835	30,382,834	3%	31,370,835	30,382,834	3%
Underwriting Profit/(Loss)	9,520,194	7,691,161	24%	9,435,364	7,686,427	23%
	71,642,102	(103,535,433)	-169%	71,555,436	(103,598,413)	-169%
Operating expenses including employee benefit expenses	10,340,138	8,906,820	16%	9,938,121	8,715,649	14%
Profit before tax	11,956,794	11,413,184	5%	12,487,251	11,533,278	8%
Earnings per share in kobo	114	112	2%	119	113	6%

Management Discussion and Analysis cont'd

Performance ratios (based on Gross Written Premium)

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	%	%	%	%
Underwriting expenses ratio	13	14	13	14
Claims ratio	68	81	68	81
Operating expenses ratio	15	17	14	16
Combined ratio	96	112	96	112
Underwriting profit ratio	101	-192	102	-193
Profitability ratio	17	21	18	21

Performance ratios (based on Net Written Premium)

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	%	%	%	%
Underwriting expenses ratio	20	16	20	16
Claims ratio	101	92	100	92
Operating expenses ratio	22	24	21	24
Combined ratio	142	132	141	131
Underwriting profit ratio	151	-278	152	-280
Profitability ratio	25	31	27	31

Revenue and underwriting Result

The group recorded a 31% increase in premium income, this in turn led to a 27% rise in underwriting income due to improvement in the annuity market as a result of the lifting of lockdown and general improvement in the economy after covid19 pandemic. This can also be traced to the improvement in non speciality business arising from the change in attitude of people regarding insurance after the end sars protest. The Group paid out N48 billion in claims and insurance benefits, an increase of 10% over previous year's payout. The claims ratio finished at 101%, this could be better managed even as management continues to focus on improving these ratios.

Underwriting result at the end of the year amounted to N71.6 billion profit compared with N103.5 billion Loss recorded in the prior year ended December 2020. This was mainly due to rise in yield on Bond securities over the year which resulted in a decrease in liabilities of our life business by N79.6 billion, specifically, in the annuity portfolio. There was also a reduction in claims paid on speciality business.

Investment Income

Group's Investment income for the year amounted to N27.1 billion with prior year performance of N37.3 billion which translates to a 27% decrease over previous year. Interest income from bonds continues to dominate our investment income.

Operating Expenses

The Group's total Operating expenses for the year stood at N10.3 billion as against N8.91 billion in prior year. This represents an increase of 12%. The management continues to watch costs on a regular basis with the aim of keeping it within acceptable limits.

Foreign exchange revaluation gain

The foreign exchange gains on performance was due to the impact of currency devaluation carried out early in the year and the impact of market forces at the end of the year. This resulted in exchange gains on financial assets as stated in the financial statements, at the same time, liabilities denominated in foreign currencies were translated at the closing FMDQ rate to reflect an accurate position of these liabilities thus reducing the negative impact of exchange losses on the bottom line in the financial statements. The foreign currencies liabilities are well-matched as the assets supporting them were also held in foreign currencies as at 31 December 2021.

Fair Value Gain/Loss

Yield on FGN Bonds trended higher during the year, medium term maturities closing with an average yield of 12.5% versus 7% (average) that it opened the year with. Rise in yield was expected following crash to historic lows in 2020; this coupled with government borrowing required to fund budget deficit and also low system liquidity.

The upward move in yield has an inverse effect on the value of our bond holdings. Therefore, we recorded significant fair value losses in our debt financial instruments designated at fair value through profit or loss. Fair value loss of N84bn was recorded for the year 2021 compared to a fair value gain of N78bn in 2020.



Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Leadway Assurance Company Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Leadway Assurance Company Limited ("the Company") and its subsidiary (together, "the group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December, 2021;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiary as at 31 December, 2021, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of Insurance Contract Liabilities

The Company has significant life and Non-Life insurance contract liabilities of N358 billion (2020: N406 billion). The valuation of insurance contract liabilities involves high estimation uncertainties and significant judgment over uncertain future outcomes.

Provisions for reported claims are based on historical experience, however the eventual liabilities may differ from the estimated amounts. Furthermore, the estimated liability for claims that have occurred but are yet to be reported in respect of Non-Life insurance contracts involve economic assumptions about inputs such as inflation rate, ultimate loss ratio and discount rates, hence the eventual outcome is uncertain.

The actuarial assumptions used in the valuation of life insurance contract liabilities are judgmental, particularly with respect to mortality rates, expenses and discount rates. The level of complexity, the assumptions and judgment involved in estimating these amounts make insurance contract liabilities a matter of significance to our audit.

Independent Auditor's Report

How the matter was addressed in our audit

Our audit procedures included the following:

- We evaluated the design, implementation and operating effectiveness of key controls instituted by the Company which includes management review of data used for the valuation of insurance contract liabilities.
- We tested the accuracy and completeness of the underlying data used in actuarial valuations by checking the claims paid, outstanding claims and underwriting data.
- We engaged our actuarial specialists to challenge the appropriateness of the methodology used by the Company's external actuary in calculating the insurance contract liabilities. This involved an assessment of the appropriateness of the valuation methods, taking into account industry practice and specific product features of the Company.
- With the assistance of our actuarial specialist, we evaluated the reasonableness of the actuarial assumptions used by the Company's external actuary and performed liability adequacy tests on insurance contract liabilities including assumptions and estimates on the projected cash flows, basic chain ladder runoff period, inflation rate, mortality and discount rate by comparing them to Company specific data and to reflect market conditions.
- We assessed the Company's valuation methodology and assumptions for consistency between reporting periods as well as indicators of possible management bias. We were also assisted by our actuarial specialists in this regard.

The Group's accounting policy on valuation of insurance contract liabilities and related disclosures are shown in notes 2.13 and 2.14 (accounting policy), note 4(a) (critical accounting estimates and judgments) and note 21 (insurance contract liabilities).

Information Other than the Financial Statements and Audit Report

The Directors are responsible for the other information. The other information comprises its corporate profile, directors' report, statement of directors' responsibilities, corporate governance report, complaint channels, management discussions and analysis, value added statement, five year financial summary, Non-Life business statement of financial position, Non-Life business statement of comprehensive income, Non-Life business revenue account, life business statement of financial position, life business statement of comprehensive income, life business revenue account, deposit administration revenue account, life business annuity statement, but does not include the consolidated and separate financial statements and our audit report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, the Insurance Act 2003 and relevant National Insurance Commission of Nigeria ("NAICOM") Circulars, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act, 2020.

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

Independent Auditor's Report

- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from branches not visited by us).
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Contraventions and penalties

The Company did not pay any penalties to the National Insurance Commission during the financial year. This has been disclosed in note 41 to the financial statement.

Signed:

Kabir

Kabir Okunlola, FCA
FRC/2012/ICAN/00000000428
For: KPMG Professional Services
Chartered Accountants
12 April 2022





Company Information and Summary of Significant Accounting Policies

For The Year Ended 31 December 2021

Appendix

General information

Leadway Assurance Company Limited is a company incorporated and domiciled in Nigeria. The address of its registered office is NN 28/29 Constitution Road, Kaduna State, Nigeria. The Company was incorporated as a private limited liability company on 22 September 1970. It obtained a license to operate as an insurance company in January 1971 and commenced business in January 1971.

The Company is principally engaged in the business of providing risk underwriting and related financial services to its customers. Such services include provision of life and non-life underwriting insurance risks to both corporate and individual customers, and also issuing of Investment contracts that provide returns.

At 31 Dec 2021, the company holds 99.99% shareholding in Leadway Vie Limited, a Life insurance services provider based in Cote D'Ivoire.

The consolidated financial statements of the Group for the year ended 31 December 2021 comprise the Company and its subsidiary (together referred to as the "Group" and individually as "Group entity"). These financial statements were authorised for issue by the directors on the 17 of February 2022.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements for the group consist of Leadway Assurance Company Limited and its subsidiary.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost convention except for the following:

- i. Financial instruments at fair value through profit or loss
- ii. Available for sale financial assets measured at fair value
- iii. Investment properties measured at fair value
- iv. Revaluation of land and buildings measured at fair value
- v. Insurance liabilities measured at fair value of estimated future cashflows

Use of estimates : The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively. The areas where assumptions and estimates are significant to the preparation of the consolidated financial statements are disclosed in note 4.

Use of judgements : In preparation of financial statements, management is expected to exercise its judgement in the process of applying the group's accounting policies and the reported amount of assets, liabilities, income & expenses, actual results may differ from these estimates. The areas involving a high degree of judgement or complexity that are significant to the consolidated financial statements are disclosed in note 4.

Functional currency & presentation currency: The financial statements are presented in Nigerian currency (Naira) which is the company's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest (N '000)."

Changes in accounting policy, amendments and disclosures

New and amended standards adopted by the group

The following new or revised standards and amendments which have a potential impact on the Group are effective for the year ended 31 December 2021 and have been applied in preparing these consolidated financial statements.

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Standard	Effective date	Comments
IAS 39 and IFRS 7, 'Interest Rate Benchmark Reform'	1 January 2021	This amendment, issued in September 2019, seeks to address uncertainties related to the market-wide reform of interbank offered rates (IBOR reform). The amendment which is split into 2 phases, focuses on IFRS 9 Financial Instruments; IAS 39 Financial Instruments: Recognition and Measurement; IFRS 7 Financial Instruments: Disclosures; IFRS 4 Insurance Contracts and IFRS 16 Leases. Phase 1 addresses issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark while phase 2 focuses on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rat as a result of the reform. There was no impact on the financial statements.

New standards and interpretations not yet effective

The following new or revised standards and amendments which have a potential impact on the Group are not yet effective for the year ended 31 December 2020 and have not been applied in preparing these consolidated financial statements.

The Group also plans to apply all the standards and amendments disclosed below once they are applicable. However, the Group's assessments of the new standards and amendments is not yet concluded but is expected to have significant impact on our Group operations and financial position

IFRS	Effective Date	Key Requirements
IFRS 17, 'Insurance contract'	1 January 2023	<p>This standard replaces the existing accounting standard IFRS 4 Insurance Contracts which gave entities dispensation to account for insurance contracts (particularly measurement) using local actuarial practice, resulting in a multitude of different approaches. The overall objective of IFRS 17 is to provide a more useful and consistent accounting model for insurance contracts among entities issuing insurance contracts globally.</p> <p>The standard requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. A General Measurement Model (GMM) will be applied to long-term insurance contracts, and is based on a fulfilment objective (risk-adjusted present value of best estimate future cash flows). This model uses current estimates, informed by actual trends and investment markets.</p> <p>Also, IFRS 17 establishes what is called a Contractual Service Margin (CSM) in the initial measurement of the liability which represents the unearned profit on the contract and results in no gain on initial recognition. The CSM is released over the life of the contract, but interest on the CSM is locked in at inception rates. The CSM will be utilised as a "shock absorber" in the event of changes to best estimate cash flows. On loss making (onerous) contracts, no CSM is set up and the full loss is recognised at the point of contract inception.</p> <p>An optional simplified Premium Allocation Approach (PAA) is available for all contracts that are less than 12 months at inception. The PAA is similar to the current unearned premium reserve profile over time.</p> <p>The Group is in the process of determining the impact of the standard. The standard will be adopted for the year ending 31st December 2022.</p>
IAS 1, 'Classification of Liabilities as Current or Non current'	1 January 2023 (earlier application permitted)	<p>This amendment seeks to clarify the requirements for classifying liabilities as current or non-current. Including the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists, Management expectations about events after the balance sheet date, and the situations that are considered settlement of a liability. The amendments will be applied retrospectively, and is not expected to have a significant impact on the financial statements. The impact of this amendment on the group is being assessed.</p>



Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

Amendment to IFRS 16(Leases)- Covid-19 Rent Related Concessions	1 January 2022	The IASB issued amendments to IFRS 16 in May 2020 to address the impact of rent concessions received as a direct result of COVID-19. The amendment applies only to lessees and not to lessors. It allows lessees to account for COVID-19 related rent concessions as variable lease payments instead of as a lease modification affecting the asset. The variable lease payment is to be recognised through the income statement in the period in which the event or condition that triggers those payments occurs. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. This standard is not expected to have a significant impact on the Group financial statements.
	1 January 2022	The amendments to IFRS1, IFRS 9, IFRS 16 and IAS 41 are all effective for annual periods beginning on or after January 1,2022. **IFRS1, First-time Adoption of International Financial Reporting Standards The amendment permits a subsidiary (as a first time adopter) that applies paragraph D16 (a) of IFRS1 to measure cumulative translation differences using the amount reported by its parent, based on the parents date of transition to IFRS. The impact of this amendment on the Group is being assessed **IFRS 9 FINANCIAL INSTRUMENTS (Fees in the '10 per cent' test for de-recognition of financial liabilities) The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The impact of this amendment on the Group is being assessed
Annual Improvement to IFRSs 2018-2020 Cycle		**IFRS 16 -Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. **IAS 41, Agriculture(Taxation in fair value measurements). The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. These standards are not expected to have a significant impact.
Amendment to IAS 16-PPE proceeds before intended use	1 January 2022 (earlier application permitted)	It amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The impact of the adoption of this amendment on the Group is being assessed.



Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

Amendments to IFRS 3 (Reference to the Conceptual Framework)	1 January 2022	<p>The amendment:</p> <ol style="list-style-type: none"> 1. updates IFRS 3, so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework; 2. adds to IFRS 3, a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; 3. add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination <p>Early application of the amendment is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.</p> <p>The impact of the adoption of this amendment on the Group is being assessed.</p>
Amendments to IAS 1 and IFRS Practice Statement 2 (Disclosure of Accounting Policies)	1 January 2023	<p>The amendments were issued to assist companies in determining which accounting policies to disclose.</p> <p>IAS 1 was amended in the following ways:</p> <ol style="list-style-type: none"> 1. Companies are now required to disclose its material accounting policy information instead of its significant accounting policies. Several paragraphs are included to explain how a company can identify material accounting policy information 2. the amendment clarifies that accounting policy may be material; <ol style="list-style-type: none"> i. because of its nature, even if the related amounts are immaterial ii. if users of an entity's financial statements would need it to understand other material information in the financial statements 3. the amendment also clarifies that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1 <p>The amendments are applied prospectively, earlier application is permitted. The impact of the adoption of this amendment on the Group is being assessed.</p>
Amendments to IAS 8 (Definition of Accounting Estimates)	1 January 2023 (Earlier application is permitted)	<p>The purpose of this amendment was to clarify the distinction between a change in an accounting policy and a change in an accounting estimate, in relation to the application of IAS 8. This distinction is important because changes in accounting estimates often affect an entity's profit or loss, but changes in accounting policies generally do not.</p> <p>The amendment also seeks to clarify how accounting policies and accounting estimates relate to each other and how companies decide whether a change in valuation technique or a change in estimation technique is a change in an accounting estimate.</p> <p>The impact of the adoption of this amendment on the Group is being assessed.</p>



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IFRS 9 Financial Instruments

IFRS 9, Financial instruments, issued by the IASB in July, 2014, fully replaced IAS 39 and provides a new approach on how to classify financial instruments based on their cash flow characteristics and the business model under which they are managed. Furthermore, the standard introduces new rules for forward-looking impairment model for debt instrument and provides new rules for hedge accounting.

It can be assumed that the main impact from IFRS9 will arise from the new classification rules leading to more financial instrument being measured at a fair value through income as well as the new impairment model. Interdependencies with IFRS17 will need to be considered to assess the ultimate combined impact of both standards.

The amendments to IFRS4, Applying IFRS9 Financial Instruments with IFRS4 Insurance Contracts, issued in September 2016, allow entities that issue insurance contracts within the scope of IFRS 4 to defer the implementation of IFRS 9 until January 2021 under certain circumstances. At its meeting on November 14, 2018, the IASB tentatively decided to extend the use of the deferral approach to IFRS 9 for a further year, so that insurance entities would only be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023.

Given the strong interrelation between the measurement of direct participating insurance contracts and the underlying assets held, the Leadway Assurance Company has decided to use the option to defer the full implementation of IFRS 9 until IFRS 17 becomes effective.

In order to qualify for temporary exemption, an entity has to prove that its activities are predominantly connected to insurance as of 31 December 2015. Under the amended IFRS4, this condition is met if the insurer carries significant liabilities arising from contracts within the scope of IFRS4. Significant insurance-related liabilities are given, among others, if the percentage of the total carrying amount of liabilities connected with insurance relative to the total carrying amount of all liabilities is greater than 90%. A reassessment at a subsequent annual reporting date is required if, and only if, there was a change in the entity's activities during the annual period that ended on that date.

As of 31 December 2015, the Leadway Assurance Group and Company recorded a total amount of liabilities connected with insurance of N114.6b, which represented more than 90% of its total liabilities of N119.3b. Moreover, of the amount connected with insurance contract, N109.2b were related to liabilities arising within the scope of IFRS 4. Other insurance related liabilities amounted to N5.4b and included mainly other liabilities like trade payables. The Group and Company did not have any non-derivative investment contract liabilities measured at fair value through income statement. No change in the activities of the Leadway Assurance Group and Company occurred subsequently that would have required a reassessment as at 31 December 2021.

The tables below provide an overview of the fair values as of 31 December 2021 and the amounts of change in the fair values during the reporting period separately for financial assets that meet the SPPI criterion (i.e. financial assets with contractual terms that give rise on the specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding excluding any financial asset that meets the definition of held for trading in IFRS9, or that is managed and whose performance is evaluated on a fair value basis) and all other financial assets.

Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

Group				
FINANCIAL ASSET UNDER IFRS 9 CLASSIFICATION OF ASSET				
As At 31 December 2021	***Financial Asset that meet SPPI Criterion		All Other Financial Asset	
	Fair Value	Fair Value Change	Fair Value	Fair Value Change
Cash and cash equivalent	42,969,621			
Debt Securities:				
Treasury Bill	2,664,168	-	-	-
Government Bonds	29,022,614	2,771,955	-	-
Corporate Bonds	8,310,208	(16,425)	-	-
Sub Total	39,996,990	2,755,530	-	-
Loans and advances	682,679	(1,026)	-	-
Other Assets	1,417,561	(205,191)	-	-
Equity Securities-Quoted	-	-	27,543,165	(201,719)
Equity Securities-Unquoted	-	-	10,796,369	(480,000)
Others	-	-	-	-
Sub Total	-	-	38,339,534	(681,719)
Grand Total	85,066,851	2,549,313	38,339,534	(681,719)

***These exclude those that meet the definition of held for trading under IFRS 9 or those managed and whose performance is evaluated on fair value basis.

Group						
CARRYING AMOUNT OF FINANCIAL ASSET THAT MEET SPPI CRITERION BY RATING						
	Rating Agency	Cash and cash equivalents	Treasury Bill	Government Bonds	Corporate Bonds	Others
Investment Grade						
B2	Moody	-	2,664,168	28,926,739	-	-
B2	Moody	-	-	-	6,685,760	-
A+	GCR	-	-	-	1,500,000	-
Not rated		42,969,621	-	95,875	124,448	2,100,240
		42,969,621	2,664,168	29,022,614	8,310,208	2,100,240

Company				
FINANCIAL ASSET UNDER IFRS 9 CLASSIFICATION OF ASSET				
As At 31 Dec 2021	***Financial Asset that meet		All Other Financial Asset	
	Fair Value N'000	Fair Value Change	Fair Value	Fair Value Change
Cash and cash equivalent	40,683,664			
Debt Securities:				
Treasury Bill	2,664,168	-	-	-
Government Bonds	28,926,739	2,771,955	-	-
Corporate Bonds	8,310,208	(16,425)	-	-
Sub Total	39,901,115	2,755,530	-	-
Loans and advances	682,679	(1,026)	-	-
Other Assets	1,417,561	(205,191)	-	-
Equity Securities-Listed	-	-	27,543,165	(201,719)
Equity Securities-Unlisted	-	-	10,796,369	(480,000)
Others	-	-	-	-
Sub Total	-	-	38,339,534	(681,719)
Grand Total	82,685,019	2,549,313	38,339,534	(681,719)

***These exclude those that meet the definition of held for trading under IFRS 9 or those managed and whose performance is evaluated on fair value basis.



Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

Company						
CARRYING AMOUNT OF FINANCIAL ASSET THAT MEET SPPI CRITERION BY RATING						
	Rating Agency	Cash and cash equivalents	Treasury Bill	Government Bonds	Corporate Bonds	Others
Investment Grade						
B2	Moody	-	2,664,168	28,926,739	-	-
B2	Moody	-	-	-	6,459,633	-
A+	GCR	-	-	-	-	-
Not rated		40,683,664	-	-	1,850,575	2,100,240
		40,683,664	2,664,168	28,926,739	8,310,208	2,100,240

Prepayment Features with Negative comparison (Amendments to IFRS 9)

This amendment was published to address the concerns about how IFRS 9 'Financial Instruments' classifies particular prepayable financial assets. In addition, the IASB clarifies an aspect of the accounting for financial liabilities following a modification. The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019, i.e. one year after the first application of IFRS 9 in its current version. Early application is permitted so entities can apply the amendments together with IFRS 9 if they wish so.

The Group will adopt the amendment along with the effective date of IFRS 9 (2023) at the earliest. The impact of the adoption of this amendment on the Group is being assessed.

2.3 Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Investments in subsidiary companies are carried at cost less any accumulated impairment losses in the Company's separate financial statements.

(b) Business Combination

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages (Step acquisition), the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in statement of comprehensive income.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in statement of comprehensive income or as a change to other comprehensive income. If the contingent consideration is outside the scope of IAS 39, it is accounted for in accordance with IAS 37 or the appropriate IFRS.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

(C) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) Disposal of subsidiaries

When the group ceases to have control, it derecognises the assets and liabilities of the subsidiary, any related NCI and other components of equity. Any resulting gain or loss is recognised in statement of profit or loss, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in statement of comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity is accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statement of comprehensive income

2.4 Non-current asset held for distribution and discontinued operations

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Before being classified as held for sale or distribution, the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Conditions to be met before assets qualify as being held for sale/distribution include the following:

- management is committed to a plan to sell;
- the asset is available for immediate sale;
- an active programme to locate a buyer is initiated;
- the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions);
- the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value; and
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

Thereafter, the assets or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets and deferred tax assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains and losses on re-measurement are recognised in profit or loss

Intangible assets and property and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale or distribution. In line with IFRIC 17, the subsidiaries being spun off will be distributed as dividend to the shareholders of the parent. The dividend payable will be at the fair value of the net assets to be distributed. For discontinued operations, the Group presents discontinued operations in a separate line in the Income statement if an entity or a component of an entity has been disposed of or is classified as held for sale and: (a) represents a separate major line of business or geographical area of operations; (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or (c) is a subsidiary acquired exclusively with a view to resale. Net profit from discontinued operations includes the net total of operating profit and loss before tax from operations, including net gain or loss on sale before tax or measurement to fair value less costs to sell and discontinued operations tax expense. A component of an entity comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Group's operations and cash flows. If an entity or a component of an entity is classified as a discontinued operation, the Group restates prior periods in the Income statement. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

2.5 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the respective functional currency of the Group entities using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate on the date when the fair value was determined. Non-monetary assets that are measured based on historical cost in a foreign currency are translated at the exchange rate on the date of the transaction.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income within 'finance income or cost'.



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Financial assets and liabilities

Financial liabilities



Financial assets and liabilities

In accordance with IAS 39, all financial assets and liabilities (including derivative financial instruments) have to be recognised in the consolidated financial statements and measured in accordance with their assigned categories.

Category (as defined by IAS 39)	Classes as determined by the Group			Sub-classes	
Financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss	Listed Debt Securities	Federal Government of Nigeria bonds	
			Listed Equity securities	Shares	
		Held for trading	Listed Equity securities		
	Loans and receivables	Cash and cash equivalents		Cash in hand and bank Placements Treasury bills with original maturity not more than 90 days.	
		Loans and advances		Commercial loans Loans to policyholders Agency loans Advances under finance lease	
		Trade receivables	Insurance receivables	Due from contract, brokers, agents and insurance companies	
		Reinsurance assets		Due from reinsurers	
		Other receivables		Other receivables	
		Available for sale	Investment securities	Listed equity	Shares
				Unlisted equity	Shares
				Listed debt securities	State Government bonds
					FGN Treasury bills Corporate bonds Eurobonds FGN bonds
		Financial liabilities at fair value through P&L	Nil	Nil	Nil
	Financial liabilities	Financial liabilities at amortised cost	Trade payables		Reinsurance payable Insurance payable Commission payable Investment contract payable
			Other Liabilities		Accrued expenses Outstanding claims Life funds
			Insurance contract liabilities		Term loans
Borrowings			Others		

Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

2.6.1 Financial Assets:

Initial recognition

Regular-way purchases and sales of financial assets are recognised on the settlement date i.e. the date on which the group receives value for a purchase/sale of assets. All financial assets are initially recognized at fair value, which includes directly attributable transaction costs for financial instruments not classified at fair value through the statement of comprehensive income.

Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classification:

(a) Financial assets held at fair value through profit or loss

A financial asset is classified into the "financial assets at fair value through profit or loss" category at inception if so designated by management at inception.

Financial assets designated as fair value through profit or loss at inception are those that are held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Upon initial recognition, attributable transaction costs are recognised in the statement of comprehensive income as incurred. Subsequent to initial recognition, they are remeasured at fair value, with gains and losses arising from changes in this value recognized in Net fair value gains/(losses) in the statement of comprehensive income in the period in which they arise. The fair values of quoted investments in active markets are based on current bid prices.

Interest earned and dividends receivable while holding trading assets at fair value through profit or loss are included in investment income.

(b) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed determinable payments and fixed maturities that management has both the positive intention and ability to hold to maturity other than:

- those that the Group upon initial recognition designates as at fair value through statement of comprehensive income;
- those that the Group designates as available for sale; and
- those that meet the definition of loans and receivables.

Held to maturity investments include corporate and government bonds. Interests on held-to- maturity investments are included in the consolidated financial statement and reported as interest income within investment income.

Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs and are subsequently carried at amortised cost, using the effective interest method, less any accumulated impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Group from classifying financial assets as held-to-maturity for the current and the following two financial years.

(c) Available-for-sale

Available for sale financial investments are made up of equities. The Group classifies as available-for-sale those financial assets that are generally not designated as another category of financial assets, and strategic capital investments held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Available-for-sale financial assets are initially measured at fair value, with the exception of investments in equity instruments where fair value cannot be reliably determined, which are carried at cost. Fair values plus any directly attributable transaction costs are determined in the same manner as for investments designated at fair value through statement of comprehensive income. Unrealised gains and losses less any accumulated impairment losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income while the investment is held, and are subsequently transferred to the statement of comprehensive income upon sale or de-recognition of the investment.

Dividends received on available-for-sale instruments are recognised in the statement of profit or loss when the Group's right to receive payment of the dividend has been established & the amount can be measured reliably.



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(d) Loans and receivables

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Group as fair value through statement of comprehensive income or available-for-sale. Loans and receivables consist of cash & cash equivalent, loans & advances, reinsurance & co-insurance receivables, trade receivables and other receivables. These are managed in accordance with a documented policy. Loans and receivables are initially measured at fair value plus any directly attributable transaction costs.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any accumulated impairment losses. Loans granted at below market rates are fair valued by reference to expected future cash flows and current market interest rates for instruments in a comparable or similar risk class and the difference between the historical cost and fair value is accounted for as employee benefits under staff costs.

- Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

- Trade receivables

Trade receivables arising from insurance contracts are stated net of allowance made for specific debts considered doubtful of recovery. Trade receivables are reviewed at every reporting period for impairment (See 2.6.1 (f) (iii)) for the accounting policy on impairment of trade receivables).

- Loans & advances

Loans & advances includes commercial loans, loans to policy holders, staff loans, annuity loans, mortgage loans and agency loans and are recognised at amortised cost.

- Reinsurance and Co-insurance recoverables

The group cedes business to reinsurers in the normal course of business for the purpose of limiting its net loss through the transfer of risks. Premium ceded comprise the share of gross written premiums transferred to reinsurers based on agreed arrangements. Reinsurance arrangements does not relieve the Group from its direct obligation to policy holders.

(e) Fair value measurement

The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on discounted cash flow models and option pricing valuation techniques whose variables include only data from observable markets.

Subsequent to initial recognition, the fair values of financial instruments are based on quoted market prices or dealer price quotations for financial instruments traded in active markets. If the market for a financial asset is not active or the instrument is an unlisted instrument, the fair value is determined by using applicable valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analyses, pricing models and valuation techniques commonly used by market participants.

Where discounted cash flow analyses are used, estimated cash flows are based on management's best estimates and the discount rate is a market-related rate at the reporting date from a financial asset with similar terms and conditions.

Where pricing models are used, inputs are based on observable market indicators at the balance sheet date and profits or losses are only recognised to the extent that they relate to changes in factors that market participants will consider in setting a price.

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(f) Impairment of financial assets

(i) Financial assets carried at amortised cost

The carrying amounts of these assets are reviewed at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events that have occurred since the initial recognition of the asset have had a negative effect on the estimated future cash flows of that asset and can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cashflow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group.

For financial assets measured at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying value and the present value of the estimated future cash flows discounted at the original effective interest rate.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cashflows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of comprehensive income.

(ii) Assets classified as available-for-sale

Available-for-sale financial assets are considered impaired if there is objective evidence of impairment, resulting from one or more loss events that occurred after initial recognition but before the reporting date, that have an impact on the future cash flows of the asset. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

All impairment losses are recognized through statement of comprehensive income. If any loss on the financial asset was previously recognized directly in equity as a reduction in fair value, the cumulative net loss that had been recognized in equity is transferred to the statement of comprehensive income and is recognized as part of the impairment loss. The amount of the loss recognized in the statement of comprehensive income is the difference between the acquisition cost and the current fair value, less any previously recognized impairment loss.

Subsequent decreases in the amount relating to an impairment loss, that can be linked objectively to an event occurring after the impairment loss was recognized in the statement of comprehensive income, is reversed through the statement of comprehensive income. An impairment loss in respect of an equity instrument classified as available-for-sale is not reversed through the statement of comprehensive income but accounted for directly in equity.

(iii) Trade receivables

Trade receivables, are a significant part of loans and receivables, are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. An allowance for impairment is made when there is an objective evidence (such as the probability of solvency or significant financial difficulties of the debtors) that the Group will not be able to collect all the amount due under the original terms of the invoice. Allowances are made based on an impairment model which considers the loss given default for each customer, probability of default and emergence period which serves as an impairment trigger based on the age of the debt. Impaired debts are derecognised when they are assessed as uncollectible. If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortised cost at the reverse date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

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In respect of other receivables, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6.2 Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortized cost or fair value through profit and loss

Investment contracts

"Investment contracts are those contracts that transfer financial risk with no significant insurance risk. Investment contracts with guaranteed and fixed terms are initially measured at fair value less transaction cost that are incremental and directly attributable to the acquisition or issue of the contract. The Group re-estimates at each reporting date the expected future cashflows and recalculate the carrying amount of the financial liability by calculating the present value of estimated future cashflows using the financial liability's original effective interest rate. Any adjustment is immediately recognised as income or expense in the statement of comprehensive income."

Trade and Other Payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted and the payable stated at the invoice amount.

2.6.3 Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, there is a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6.4 De-recognition of financial instruments

A financial asset is derecognized when the contractual rights of the Group to the cash flows from the asset expire, or its rights to receive the contractual cash flows on the financial asset in a transaction that transfers substantially all the risks and rewards of ownership of the financial asset are transferred, or when it assumes an obligation to pay those cash flows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The group also derecognises a financial liability when its terms are modified and the cashflows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid including any non cash assets transferred or liabilities assumed is recognised in profit or loss.

2.7 Deferred acquisition costs

Acquisition costs comprise all direct and indirect costs arising from the origination of insurance contracts. Deferred acquisition costs represent a portion of commission which are incurred during a financial year and are deferred to the extent that they are recoverable out of future revenue margins. It is calculated on a time apportionment basis over the tenor of the policies.

2.8 Investment property

Investment property comprises investment in land or buildings held primarily to earn rentals or capital appreciation or both.

The Group's investment property is initially recognized at cost including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes cost of day to day servicing of an investment property. An investment property is subsequently measured at fair value with any change therein recognised in statement of profit or loss. Fair values are determined individually, on a basis appropriate to the purpose for which the property is intended and with regard to recent market transactions for similar properties in the same location.

Fair values are reviewed annually by independent valuer, holding a recognized and relevant professional qualification and with relevant experience in the location and category of investment property being valued.

Subsequent expenditure on investment property is capitalized only if future economic benefit will flow to the Group; otherwise they are expensed as incurred.

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Investment properties are disclosed separate from the Property and equipment used for the purposes of the business.

The Group separately accounts for a dual purpose property as investment property if it occupies only an insignificant portion. Otherwise, the portion occupied by the Group is treated as property and equipment.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in statement of comprehensive income. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

2.9 Statutory deposit

These deposits represent bank balances required by the insurance regulators of the Group to be placed with relevant central banks of Group's operating jurisdictions. These deposits are stated at cost. Interest on statutory deposits is recognized as earned in other receivables and the corresponding amount is recognised in statement of comprehensive income within investment income.

2.10 Intangible assets

(a) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill has an indefinite useful life and it is tested annually for impairment.

Goodwill is allocated to cash-generating units or groups of cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified in accordance with IFRS 3.

Goodwill has an indefinite useful life and is tested annually as well as whenever a trigger event has been observed for impairment by comparing the present value of the expected future cash flows from a cash generating unit with the carrying value of its net assets, including attributable goodwill and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Purchased software

Recognition of software acquired is only allowed if it is probable that future economic benefits to this intangible asset are attributable and will flow to the Group.

Internally developed software is capitalized when the Group has the intention and demonstrates the ability to complete the development and use of the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs include all costs directly attributable to the development of the software. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in statement of comprehensive income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years subject to annual reassessment.

De-recognition of software

The carrying amount of an item of software shall be derecognised on disposal when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the statement of comprehensive income in the year of de-recognition.

2.11 Property and equipment

Recognition & measurement

Property and equipment comprise land and buildings and other properties owned by the Group.

Items of Property and equipment are carried at cost less accumulated depreciation and impairment losses except for land and building which is carried at revalued amount. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.



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Subsequent costs on replacement parts on an item of property are recognized in the carrying amount of the asset and the carrying amount of the replaced or renewed component is derecognized.

Subsequent measurement

All items of property and equipment except land and buildings are subsequently measured at cost less accumulated depreciation and impairment losses.

Land and buildings

Land and buildings are subsequently carried at revalued amounts, being fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses, if any. They are valued on an open market basis by qualified property valuers at each reporting date. Land is however not depreciated.

When an individual property is revalued, any increase in its carrying amount (as a result of revaluation) is transferred to a revaluation reserve, except to the extent that it reverses a revaluation decrease of the same property previously recognised as an expense in the statement of comprehensive income.

When the value of an individual property is decreased as a result of a revaluation, the decrease is charged against any related credit balance in the revaluation reserve in respect of that property. However, to the extent that it exceeds any surplus, it is recognised as an expense in the statement of comprehensive income.

In accordance with IAS 16 par 35, when Land and buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Depreciation

Depreciation is calculated on property and equipment excluding land on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life.

Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5.

The estimated useful lives for the current and comparative periods are as follows:

Land	-	Not depreciated
Buildings	-	50 years
Office equipment	-	5 years
Computer equipment	-	3 years
Furniture and fittings	-	5 years
Motor vehicles	-	4 years

Capital work in progress is not depreciated. The Group's capital work in progress relates to capital expenditure on properties to be for the company's activities. Upon completion it is transferred to the relevant asset category. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

De-recognition

The carrying amount of an item of property and equipment shall be derecognised on disposal when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amounts and are recognized in the statement of comprehensive income in the year of de-recognition.

Re-classification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any gain arising on this re-measurement is recognised in statement of comprehensive income to the extent that it reverses a previous impairment loss on the specific property with any remaining gain recognised in OCI and presented in revaluation reserve. Any loss is recognised in statement of comprehensive income. However, to the extent that an amount is included in revaluation surplus for that property, the loss is recognised in OCI and reduces the revaluation surplus in equity.

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2.12 Leases

The Group initially adopted IFRS 16 Leases from 1 January 2019. IFRS 16 introduced a single, on-balance sheet accounting model for leases. As a result, the Group, as a lessee has recognized the right-of-use assets representing its right to use the underlying assets. Lessors accounting remains similar to previous accounting policies. The major lease transaction wherein the Group is a lessee relates to the lease of Leadway Assurance's operating branches in several locations. The Group applied IFRS 16 using the modified retrospective approach

A. Definition of a lease

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the customer. Control is considered to exist if the customer has:

- * The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- * The right to direct the use of that asset.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which it is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single component.

B. As a Lessee

Leases, under which the Group possess a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration is disclosed in the Group's statement of financial position and recognized as a leased asset.

To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset, and
- (b) the right to direct the use of the identified asset.

The Group recognizes expenses associated with these leases as an expense on straight line basis over the lease term.

The Group presents right-of-use assets as a separate class under 'property and equipment'.

i. Significant accounting policies

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability (where applicable) is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability (where applicable) is subsequently increased by the interest cost on the lease liability and decreased by lease payment made (i.e. measured at amortised cost using the effective interest rate method). It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

C. As a lessor

"The group leases out its investment property, including own property and right-of-use assets. The group has classified these leases as operating leases. The group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.



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2.13 Insurance Contracts

The Group enters into insurance contracts as its primary business activities. Insurance contracts are those that the Group accepts significant insurance risk from another party (the policy holder) by agreeing to compensate the policy holder or other beneficiary, if a specified uncertain future event (the insured event) adversely affects the policy holder or the other beneficiary. The Group as a guide defines significant insurance risk as the possibility of having to pay benefit on the occurrence of an insured event that are at least 10% more than the benefit payable if the insured event did not occur.

The Group classifies financial guarantee contracts and account for these as insurance contracts in accordance with IFRS 4.

(a) Classification of insurance contracts

The Group classifies insurance contracts into life and non-life insurance contracts. The group also makes a distinction between Short and Long term insurance contracts as follows:

	Short Term	Long Term
Non- Life contracts	Most non- life insurance contract policies	Some insurance contracts under special risks
Life Contracts	Group life insurance contract policies	Insurance contract policies over human life

(i) Non life insurance contract

These contracts are accident, casualty and property insurance contracts.

Accident and casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events. The typical protection offered is designed for employers who become legally liable to pay compensation to injured employees (employers' liability) and for individual and business customers who become liable to pay compensation to a third party for bodily harm or property damage (public liability).

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities.

Non-life insurance contracts protects the Group's customers from the consequences of events (such as death or disability) that would affect the ability of the customer or his/her dependants to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the insured. There are no maturity or surrender benefits.

(ii) Life insurance contract

These contracts insure events associated with human life (for example, death or survival) over a long duration.

-Individual and group life insurance contracts

Individual life contracts are usually long term insurance contracts and span over one year while the group life insurance contracts usually cover risk within one year. A liability for contractual benefits that are expected to be incurred in the future when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used. The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

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-Annuity contracts

These contracts insure customers from consequences of events that would affect the ability of the customers to maintain their current level of income. There are no maturity or surrender benefits. The annuity contracts are fixed annuity plans. Policy holders make a lump sum payment recognised as part of premium in the period when the payment was made. Constant and regular payments are made to annuitants based on terms and conditions agreed at the inception of the contract and throughout the life of the annuitants. The annuity funds are invested in long tailed government bonds and reasonable money markets instruments to meet up with the payment of monthly/quarterly annuity payments. The annuity funds liability is actuarially determined based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued.

(b) Insurance contracts - Recognition and measurement

(i) Premiums

Gross premiums comprise the premiums on insurance contracts entered into during the year, irrespective of whether they relate in whole or in part to a later accounting period. This is recognised gross of commission expense.

Premiums on reinsurance inward are included in gross written premiums and accounted for as if the reinsurance was considered direct business, taking into account the product classification of the reinsured business.

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or reinsurance business assumed.

The earned portion of premiums received is recognized as revenue. Premiums are earned from the date of attachment of risk, over the insurance period, based on the pattern of risk underwritten. Outward reinsurance premiums are recognized as an expense in accordance with the pattern of risk reinsured.

(ii) Unearned premiums

Unearned premiums are those proportions of premiums written in the year for Non-Life contracts that relate to periods of risks after the reporting date. It is computed separately for each Non-Life insurance contract using a time apportionment basis, or another suitable basis for uneven risk contracts. Provision for unexpired risk is made for unexpired risks arising where the expected value of claims and expenses attributable to the unexpired period of policies in force at the reporting date exceeds the unearned premium in relation to such policies after deduction of any deferred acquisition costs.

(iii) Reinsurance

The Group cedes out insurance risks in the normal course of business for the purpose of limiting its net loss on policies written. Premium ceded comprise written premiums ceded to reinsurers, adjusted for the reinsurers' share of the movement in the provision for the unearned premiums. Reinsurance arrangements do not relieve the Group from its direct obligations to its policy holders.

Premium ceded, claims reimbursed and commission recovered are presented in the statement of comprehensive income and statement of financial position separately from the gross amounts.

Reinsurance assets represent balances due from reinsurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised at cost.

Reinsurance recoverables are estimated in manner consistent with the outstanding claims provision and claims incurred associated with the reinsurer's policies and are in accordance with the related insurance contract. They are measured at their carrying amount less any impairment charges. Amounts recoverable under reinsurance contracts are assessed for impairment at each Statement of financial position date. If there is objective evidence of impairment, the Group reduces the carrying amount of its reinsurance assets to its recoverable amount and recognizes the impairment loss in the statement of comprehensive income as a result of an event that occurred after its initial recognition, for which the Group may not be able to recover all amounts due and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

(iv) Commission income

Commissions are recognized on ceding business to the reinsurer, and are credited to the statement of comprehensive income.

(v) Underwriting expenses

Underwriting expenses are made up of acquisition and maintenance expenses.

Underwriting expenses for insurance contracts and investment contracts are recognized as expense when incurred, with the



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exception of acquisition costs which are recognized on a time apportionment basis in respect of risk.

(vi) *Claims incurred*

Claims incurred consist of claims and claims handling expenses paid during the financial year together with the movement in the provision for outstanding claims. The provision for outstanding claims represent the Group's estimate of the ultimate cost of settling all claims incurred but unpaid at the balance sheet date whether reported or not. The provision includes an allowance for claims management and handling expenses.

The provision for outstanding claims for reported claims, is estimated based on current information and the ultimate liability may vary as a result of subsequent information and events and may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provision for prior years are reflected in the statement of comprehensive income in the financial period in which adjustments are made, and disclosed separately if material.

Reinsurance recoverables are recognized when the Group records the liability for the claims and are not netted off claims expense but are presented separately in the statement of comprehensive income.

Claims incurred in respect of long-term insurance contracts especially pure life business and annuity contracts consist of claims arising during the year including provision for policy holders' liabilities. Outstanding claims on long-term insurance contracts that have occurred at the balance sheet date and have been notified by the insured are carried at the claim amounts advised.

(vii) *Salvages*

Some non-life insurance contracts permit the Group to sell (usually damaged) property acquired in the process of settling a claim. The Group may also have the right to pursue third parties for payment of some or all costs of damages to its client's property (i.e. subrogation right). Salvage recoveries are presented net of the claim expense.

(ix) *Subrogation*

Subrogation is the right for an insurer to pursue a third party that caused an insurance loss to the insured. This is done as a means of recovering the amount of the claim paid to the insured for the loss. A receivable for subrogation is recognized in other receivables when the liability is settled and the Group has the right to receive future cash flow from the third party.

2.14 Insurance contract liabilities

The recognition and measurement of Insurance contract liabilities is determined as follows:

(i) *Non-life business*

(a) *Reserves for unearned premium and unexpired risk*

The reserve for unearned premium is calculated on a time apportionment basis in respect of risk accepted during the year with the exception of construction all risk policies where the risk increases with term and progress on the project at hand and marine policies where actuarial valuation is used to determine the liabilities. A provision for additional unexpired risk reserve is recognised for an underwriting year where it is determined that the estimated cost of claims and expenses would exceed the unearned premium reserve.

(b) *Reserves for outstanding claims*

The reserve for outstanding claims is maintained at the total amount of outstanding claims incurred plus claims incurred but not reported ("IBNR") as at the reporting date. The IBNR is based on the liability adequacy test.

(c) *Liabilities Adequacy Test*

The net liability for insurance contracts is tested annually for adequacy by actuarial valuation. This is carried out by discounting current estimates of all future contractual cash flows and comparing this amount to the carrying value of the liability net of deferred acquisition costs. Where a shortfall is identified, an additional provision is made and the Group recognizes the deficiency in the statement of comprehensive income for the year. The method of valuation and assumptions used, the cashflows considered and the discounting and aggregation practices adopted have been set out in the following notes.

Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

Reserving methodology and assumptions

For non-life insurance risks, the Group uses different methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the Discounted Inflation-adjusted Basic Chain Ladder and the Expected Loss Ratio methods adjusted for assumed experience to date.

Claims data was grouped into triangles by accident year or quarter and payment year or quarter. The choice between quarters or years was based on the volume of data in each segment. Analysis was conducted by line of business.

Discounted inflation-adjusted basic chain ladder method

Historical claims paid were grouped into cohorts – representing when they were paid after their underwriting year. These cohorts are called claim development years and the patterns were studied. The historical paid losses are projected to their ultimate values for each underwriting year by calculating the loss development factors for each development year. The ultimate claims are then derived using the loss development factors and the latest paid historical claims.

The historical paid losses are inflated using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. These projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future year of payment of the outstanding claims.

The resulting claims estimated is discounted to the valuation date using a discount factor raised by years as a result of applying historical inflation rates to determine the appropriate discount rate to allow for a margin of prudence.

The future claims (the ultimate claim amount less paid claims to date) are allocated to future payment periods in line with the development patterns. The outstanding claims reported and that paid to date are then subtracted from the total future claims to give the resulting IBNR figure per accident year or quarter. i.e. $IBNR = (\text{Ultimate claim amount}) - (\text{paid claims till date}) - (\text{claims outstanding})$.

Assumptions underlying the Discounted Inflation-adjusted Basic Chain Ladder method

This method assumes the following:

- The future claims follows a trend pattern from the historical data.
- Payment patterns will be broadly similar in each accident year. Thus, the proportionate increases in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.

- The run off period is seven (7) years and hence the method assumes no more claims will be paid subsequently.

Expected loss ratio method

This method was adopted where the volume of data available is too small to be credible when using a statistical approach. Special risk reserves were estimated based on this method. Under this method, the ultimate claims was obtained by assuming loss ratio of 50%, where loss ratio is defined as claims incurred divided by earned premiums. Outstanding claims is stated as amount estimated less paid claims.

(ii) Life business

These contracts insure events associated with human life (for example, death or survival) over a long duration. Premiums are recognised as revenue when they become payable by the contract holder. Premiums are shown before deduction of commission.

Benefits are recorded as an expense when they are incurred.

A liability for contractual benefits that are expected to be incurred in the future is recorded when the premiums are recognised. The liability is determined as the sum of the expected discounted value of the benefit payments and the future administration expenses that are directly related to the contract, less the expected discounted value of the theoretical premiums that would be required to meet the benefits and administration expenses based on the valuation assumptions used (the valuation premiums). The liability is based on assumptions as to mortality, persistency, maintenance expenses and investment income that are established at the time the contract is issued. A margin for adverse deviations is included in the assumptions.

Where insurance contracts have a single premium or a limited number of premium payments due over a significantly shorter period than the period during which benefits are provided, the excess of the premiums payable over the valuation premiums is deferred and recognised as income in line with the unexpired insurance risk of the contracts in force or, for annuities in force, in line with the amount of future benefits expected to be paid.



Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

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The liabilities are recalculated at each balance sheet date using the assumptions established at inception of the contracts.

Actuarial valuation of the life fund is conducted annually to determine the net liabilities on the existing policies and the adequacy of the assets representing the insurance funds as at the date of the valuation. All deficits arising therefore are charged to the statement of comprehensive income while the surplus is appropriated to the shareholders and credited to the statement of comprehensive income.

2.15 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows discounted at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.16 Employee benefits

Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Group has a present obligation to pay, as a result of employees' services provided up to the balance sheet date. The accrual is calculated on an undiscounted basis, using current salary rates.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post employment benefits

The Group operates a defined contributory retirement scheme as stipulated in the Pension Reform Act 2004. Under the defined contribution scheme, the Group pays fixed contributions of 10% to a separate entity – Pension Fund Administrators; employees also pay 8% to the same entity. Once the contributions have been paid, the Group retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The Group's obligations are recognised in the statement of comprehensive income. The Group introduced a defined contributory post employment benefit scheme during the year for its Executive Directors. Under the scheme, the Group contributes fixed amounts as determined by the Board of Directors to their respective Pension Fund Administrators. The contribution made in the year and for past service has been charged to profit or loss.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal, or to provide termination benefits as a result of an offer made to encourage voluntarily redundancy if it is probable that the offer will be accepted and the number of acceptances can be estimated. Benefits falling due more than 12 months after balance sheet date are discounted to present value.



Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

2.17 Income tax

(i) current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- National Information Technology Development Agency levy is computed on profit before tax (i.e. Technology levy)
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the company during the year).

Total amount of tax payable under CITA is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

Minimum tax

Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The Company is subject to the Finance Act (amendments made to Companies Income Tax Act (CITA)). Total amount of tax payable under the new Finance Act shall not be less than 0.25% of the Company's gross premium for general business and 0.25% of gross income for life business.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax.

(ii) Deferred taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred taxation is provided fully on timing differences, which are expected to reverse at the rate of tax likely to be in force at the time of reversal. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future and differences arising from investment property measured at fair value whose carrying amount will be recovered through use. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

2.18 Share capital and reserves

Share capital

The Group classifies ordinary shares and share premium as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to issue of shares are recognised as deductions from equity net of any tax effects.

Dividend on ordinary shares

Dividend distribution to the Group's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Group's shareholders. Dividends that are proposed but not yet declared are disclosed in the notes to the financial statements. Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

(a) Contingency reserves

The Group maintains contingency reserves in accordance with the provisions of the Insurance Act 2003 to cover fluctuations in securities and variations in statistical estimates at the rate equal to the higher of 3% of total premium or 20% of the total profit after taxation until the reserve reaches the greater of minimum paid up capital or 50% of net premium for non-life business. Contingency reserve for life business is credited with the higher of 1% of gross premium and 10% of profit after taxation. The insurance subsidiary in Cote d'Ivoire (Leadway Vie) maintains a Legal reserve in accordance with the provisions of Article 346 of the OHADA Treaty on Commercial Companies and Economic Interest Groupings, a company is expected to set aside 10% of its profit after tax, after payment of dividends minus carried forward losses as legal reserve. This ceases to be mandatory when the amount so set aside reaches 20% of its stated capital.



Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

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(b) Assets revaluation reserves

Assets revaluation reserves represents the fair value differences on the revaluation of items of Property and equipment as at the balance sheet date.

(c) Fair value reserves

Fair value reserves represents the fair value gains or losses on valuation of financial assets measured at fair value through equity.

(d) Treasury shares

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury shares reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

2.19 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the group by the number of shares outstanding during the year.

Diluted Earnings per share is determined by dividing the statement of comprehensive income attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued.

2.20 Revenue recognition

Revenue comprises the fair value for services, net of value-added tax, after eliminating revenue within the Group. Revenue is recognised as follows:

Insurance contracts:

See accounting policy 2.13 b(i) for recognition of premium on insurance contracts.

Investment and other operating income

Investment income comprises interest income earned on short-term deposits, rental income and income earned on trading of securities including all realised and unrealised fair value changes, interest income on loans and finance leases, dividends and foreign exchange differences. Investment income is accounted for on an accrual basis.

Other operating income comprises fee income and profit on disposal of property and equipment.

Dividend income

Dividend income for available for sale equities are recognised when the right to receive payment is established.

2.21 Management expense

Management expenses are expenses other than claims and underwriting expenses. They include depreciation expenses and other operating expenses. They are recognised on an accrual basis.

2.22 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Company Information and Summary of Significant Accounting Policies cont'd

For The Year Ended 31 December 2021

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2.23 Impairment of non financial assets

The Group's non financial assets with carrying amounts other than investment property are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are available for use, the recoverable amount is estimated each year at the same time.

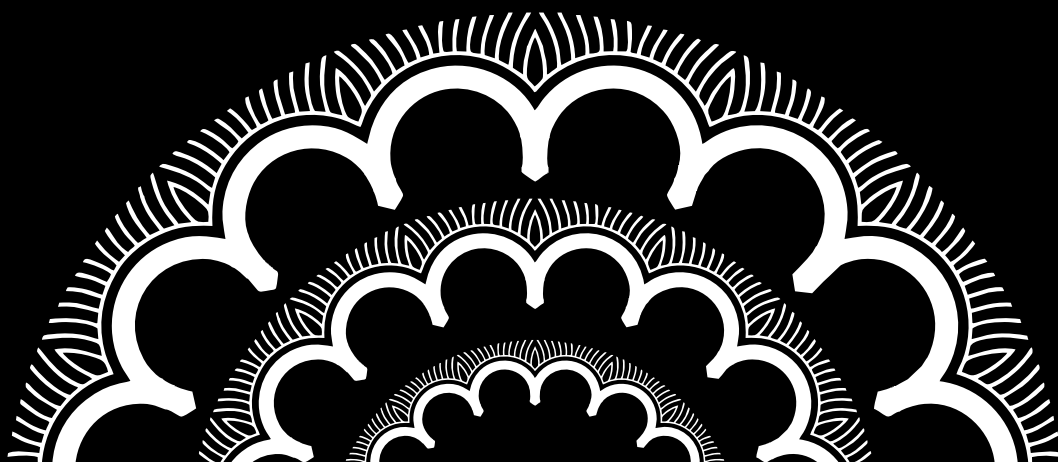
The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.





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Consolidated And Separate Statement Of Financial Position

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
ASSETS					
Cash and cash equivalents	5	42,969,621	58,200,553	40,683,664	54,328,877
Trade receivables	6	428,033	138,363	353,132	97,211
Investment securities	7				
- Financial assets at fair value through profit or loss	7.1	258,307,185	322,052,797	258,307,185	322,052,797
- Available for sale financial assets	7.2	77,654,805	55,677,574	77,558,930	55,584,203
- Held to maturity financial assets	7.3	3,867,979	-	3,867,979	-
Reinsurance assets	8	83,278,314	58,399,894	83,245,169	58,391,307
Deferred acquisition cost	9	1,302,467	862,676	1,302,467	862,676
Other receivables and prepayments	10	6,217,668	3,068,475	4,484,031	2,557,493
Loans and advances	11	681,541	577,144	681,541	577,144
Property and equipment	12	4,983,106	5,012,375	4,892,472	4,880,238
Investment properties	13	20,084,060	19,062,755	18,647,639	17,694,603
Investment in subsidiaries	14	-	-	5,674,730	5,590,448
Intangible assets	16	1,690,496	1,728,875	40,613	76,944
Statutory deposits	17	500,000	500,000	500,000	500,000
TOTAL ASSETS		501,965,275	525,281,481	500,239,552	523,193,941
LIABILITIES					
Trade payables	18	18,600,653	8,690,090	18,569,149	8,681,794
Current income tax liabilities	19	1,002,283	815,776	956,651	788,560
Other liabilities	20	7,082,636	5,705,025	6,555,502	5,398,189
Insurance contract liabilities	21	357,594,400	406,737,188	357,062,781	406,448,505
Investment contract liabilities	22	35,917,975	33,970,668	34,288,014	32,067,632
Deferred tax liabilities	15	2,154,413	1,919,527	2,154,413	1,919,527
TOTAL LIABILITIES		422,352,359	457,838,274	419,586,510	455,304,207
EQUITY					
Issued and paid up share capital	23	10,000,000	10,000,000	10,000,000	10,000,000
Share premium	23	588,575	588,575	588,575	588,575
Contingency reserve		17,667,126	15,314,108	17,665,658	15,312,636
Retained earnings	23	35,207,003	29,678,993	36,535,461	30,442,971
Fair value reserves	23	14,196,940	9,938,279	14,196,940	9,938,279
Other reserves	23	1,952,872	1,922,855	1,666,408	1,607,273
TOTAL EQUITY ATTRIBUTABLE TO OWNERS		79,612,516	67,442,810	80,653,042	67,889,734
Non controlling interest	24	399	397	-	-
TOTAL EQUITY		79,612,915	67,443,207	80,653,042	67,889,734
TOTAL EQUITY AND LIABILITIES		501,965,275	525,281,481	500,239,552	523,193,941

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS ON 17 February 2022 BY:

Mr. Tunde Hassan Odukale
FRC/2013/IODN/00000002040
Group Chief Executive Officer

General (Rtd) Martin Luther Agwai
FRC/2019/CDIR/00000019923
Chairman

Mrs. Yemisi Rotimi
FRC/2021/001/0000023876
Chief Financial Officer

The notes are an integral part of these consolidated financial statements.



Consolidated And Separate Statement Of Comprehensive Income

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross premium written	25	70,624,353	53,858,944	70,107,557	53,653,676
Gross premium income	25	68,041,558	54,655,076	67,524,762	54,449,808
Reinsurance expenses	26	(20,483,508)	(17,420,111)	(20,441,143)	(17,409,396)
Net premium income		47,558,050	37,234,965	47,083,619	37,040,412
Commission income	27	3,092,645	2,329,312	3,084,187	2,326,384
Underwriting income		50,650,695	39,564,277	50,167,806	39,366,796
Claims expenses	28	(47,826,715)	(43,556,019)	(47,683,845)	(43,518,159)
Increase in annuity fund	25	79,634,329	(90,296,982)	79,634,329	(90,296,982)
Increase in individual life fund	25	(1,296,013)	(1,555,548)	(1,127,490)	(1,463,641)
Underwriting expenses	29	(9,520,194)	(7,691,161)	(9,435,364)	(7,686,427)
Total underwriting expense		20,991,407	(143,099,710)	21,387,630	(142,965,209)
Total underwriting (loss)/profit		71,642,102	(103,535,433)	71,555,436	(103,598,413)
Investment income	30	27,128,970	37,275,746	27,100,693	37,169,982
(Loss)/profit on investment contracts	30(a)	(2,581,567)	4,747,802	(2,317,370)	5,036,639
Net fair value gain/(loss) on assets at fair value	31	(83,688,762)	78,180,288	(83,688,762)	78,180,289
Other operating income	32	10,353,480	3,537,410	10,332,666	3,346,240
Employee benefit expenses	33	(4,986,482)	(3,805,548)	(4,851,151)	(3,709,144)
Other operating expenses	34	(5,353,656)	(5,101,272)	(5,086,970)	(5,006,505)
		12,514,085	11,298,994	13,044,542	11,419,088
Net impairment/write back	35	(557,291)	114,190	(557,291)	114,190
Profit before income tax		11,956,794	11,413,184	12,487,251	11,533,278
Income tax expense	36	(575,767)	(225,902)	(541,735)	(223,737)
Profit for the year from continuing operations		11,381,027	11,187,282	11,945,516	11,309,541
Profit for the year		11,381,027	11,187,282	11,945,516	11,309,541
Other comprehensive income:					
Items that may be subsequently reclassified to the profit or loss account:					
Changes in available-for-sale financial assets net of taxes	7c	4,536,223	5,929,270	4,536,223	5,929,270
Net amount transferred to the income or (loss) statement on sale of Available for sale Debt instrument	7c	(277,561)	(189,883)	(277,561)	(189,883)
Items within OCI that will not be reclassified to profit or loss:					
Gain on revaluation of properties and equipment net of tax		59,136	48,573	59,136	48,573
Other comprehensive income for the year		4,317,798	5,787,960	4,317,798	5,787,960

Consolidated Statement Of Changes In Equity

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Notes	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Total comprehensive income for the year	15,698,825	16,975,241	16,263,314	17,097,501
Profit attributable to:				
- Owners of the Company	11,381,083	11,187,294	11,945,516	11,309,541
- Non-controlling interest (Loss)	(56)	(12)	-	-
Profit for the year	11,381,027	11,187,282	11,945,516	11,309,541
Total Comprehensive income attributable to:				
- Owners of the Company	15,698,881	16,975,253	16,263,314	17,097,501
- Non-controlling interest (Loss)	(56)	(12)	-	-
Total comprehensive income for the year	15,698,825	16,975,241	16,263,314	17,097,501
Total Comprehensive income attributable to equity shareholders arises from:				
- Continuing operations	15,698,825	16,975,241	16,263,314	17,097,501
Total comprehensive income for the year	15,698,825	16,975,241	16,263,314	17,097,501
Basic/Diluted - Earnings per share (kobo):				
- From continuing operations	37	112	119	113
- Total Comprehensive Income for the Year	37	112	119	113

* Items disclosed in other comprehensive income do not have tax effects based on relevant tax regulation

The notes are an integral part of these consolidated financial statements.

Consolidated Statement Of Changes In Equity

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

ATTRIBUTABLE TO OWNERS OF THE PARENT

Group 2021	Notes	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Translation reserve	Total	Non controlling interest	Total
As at 1 January 2021		10,000,000	588,575	29,678,993	9,938,279	15,314,108	1,607,272	315,582	67,442,809	397	67,443,206
Profit for the year		-	-	11,381,083	-	-	-	-	11,381,083	(56)	11,381,027
Other comprehensive income											
Net changes in fair value of AFS financial instruments	7c				4,536,223				4,536,223		4,536,223
Net amount of AFS instruments transferred to income statement					(277,561)				(277,561)		(277,561)
Fair value gain on Property and equipment	7c										
net of tax							59,136		59,136		59,136
Total comprehensive income for the year				11,381,083	4,258,662		59,136		15,698,881	(56)	15,698,824
Transaction with owners and directly in equity:											
Transfer to contingency reserve				(2,353,018)		2,353,018					
Cash dividend paid to equity holders				(3,500,000)					(3,500,000)		(3,500,000)
Issue of shares of subsidiary acquired										365	365
Foreign currency translation reserve								(29,119)	(29,119)		(29,119)
Total transactions with owners				(5,853,020)		2,353,018		(29,119)	(3,529,119)	365	(3,528,754)
As at 31 December 2021		10,000,000	588,575	35,207,056	14,196,941	17,667,126	1,666,408	286,463	79,612,569	705	79,613,275

Consolidated Statement Of Changes In Equity

For The Year Ended 31 December 2020

(All amounts in thousands of Nigerian Naira unless otherwise stated)

ATTRIBUTABLE TO OWNERS OF THE PARENT

Group 2020	Notes	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Translation reserve	Total	Non controlling interest	Total
As at 1 January 2020		10,000,000	588,575	23,655,728	4,198,892	13,650,079	1,558,699	26,674	53,678,647	44	53,678,691
Profit for the year		-	-	11,187,294	-	-	-	-	11,187,294	(12)	11,187,282
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Acquired subsidiary at acquisition		-	-	-	-	-	-	-	-	-	-
Net changes in fair value of AFS financial instruments	7c	-	-	-	5,929,270	-	-	-	5,929,270	-	5,929,270
Net amount of AFS instruments transferred to income statement	7c	-	-	-	(189,883)	-	-	-	(189,883)	-	(189,883)
Fair value gain on Property and equipment net of tax		-	-	-	-	-	48,573	-	48,573	-	48,573
Total comprehensive income for the year		-	-	11,187,294	5,739,387	-	48,573	-	16,975,254	(12)	16,975,242
Bonus issue		-	-	-	-	-	-	-	-	-	-
Transaction with owners and directly in equity:											
Transfer to contingency reserve		-	-	(1,664,029)	-	1,664,029	-	-	0	-	0
Cash dividend paid to equity holders		-	-	(3,500,000)	-	-	-	-	(3,500,000)	-	(3,500,000)
Foreign currency translation reserve		-	-	-	-	-	-	288,908	288,908	-	288,908
Total transactions with owners		-	-	(5,164,029)	-	1,664,029	-	288,908	(3,211,092)	365	(3,210,727)
As at 31 December 2020		10,000,000	588,575	29,678,993	9,938,279	15,314,108	1,607,272	315,582	67,442,809	397	67,443,206

Separate Statement Of Changes In Equity

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

2021	Notes	Share capital	Share premium	Retained earnings	Fair value reserve on available for sale financial assets	Contingency reserve	Asset revaluation reserve	Total
As at 1 January 2021		10,000,000	588,575	30,442,971	9,938,279	15,312,636	1,607,272	67,889,733
Profit for the year		-	-	11,945,513	-	-	-	11,945,513
Other comprehensive income								
Net changes in fair value of AFS financial instruments	7c	-	-	-	4,536,223 (277,561)	-	-	4,536,223 (277,561)
Net amount transferred to Income statement	7c	-	-	-	-	-	-	-
Fair value gain on property and equipment net of tax		-	-	-	-	-	59,136	59,136
Total comprehensive income for the year				11,945,513	4,258,661		58,541	16,262,716
Transaction with owners & directly in equity:								
Transfer to contingency reserve		-	-	(2,353,022)	-	2,353,022	-	-
Cash dividend paid to equity holders		-	-	(3,500,000)	-	-	-	(3,500,000)
Total transactions with owners of equity		-	-	(5,853,022)	-	2,353,022	-	(3,500,000)
As at 31 December 2021		10,000,000	588,575	36,535,461	14,196,940	17,665,658	1,665,813	80,652,449

Separate Statement Of Changes In Equity

For The Year Ended 31 December 2020

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 2020	Notes	Share capital	Share premium	Retained earnings	Fair value reserve on Available for sale financial assets	Contingency reserve	Asset revaluation reserve	Total
As at 1 January 2020		10,000,000	588,575	24,297,457	4,198,892	13,648,609	1,558,700	54,292,233
Profit for the year		-	-	11,309,541	-	-	-	11,309,541
Other comprehensive income								
Net changes in fair value of AFS financial instruments	7c	-	-	-	5,929,270	-	-	5,929,270
Net amount transferred to Income statement	7c	-	-	-	(189,883)	-	-	(189,883)
Fair value gain on property and equipment net of tax		-	-	-	-	-	48,573	48,573
Total comprehensive income for the year		-	-	11,309,541	5,739,387	-	48,573	17,097,501
Transaction with owners & directly in equity:								
Transfer to contingency reserve		-	-	(1,664,027)	-	1,664,027	-	-
Contingent consideration on investment in parent		-	-	(3,500,000)	-	-	-	(3,500,000)
Cash dividend paid to equity holders		-	-	-	-	-	-	-
Total transactions with owners of equity		-	-	(5,164,027)	-	1,664,027	-	(3,500,000)
As at 31 December 2020		10,000,000	588,575	30,442,971	9,938,279	15,312,636	1,607,273	67,889,734

Consolidated & Statement Of Cash Flows

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Notes	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Operating activities					
Insurance premium received		67,965,723	48,765,263	67,482,677	48,601,147
Reinsurance premium paid		(21,439,868)	(15,390,466)	(21,420,711)	(15,377,546)
Reinsurance commission received	27	3,343,286	2,329,312	3,334,828	2,328,782
Insurance benefits and claims paid		(48,455,757)	(57,927,941)	(48,385,352)	(57,890,080)
Deposit received on investment contracts	22	11,738,824	12,967,779	11,441,481	12,455,237
Claims paid on investment contracts	22	(11,281,008)	(9,871,153)	(10,668,787)	(9,183,776)
Reinsurance claims received		3,521,995	14,093,064	3,544,605	14,089,079
Premium received in advance	18	10,581,772	3,206,647	10,581,772	3,206,647
Cash Commission paid to insurance brokers and agents		(7,139,685)	(5,110,418)	(7,187,402)	(5,094,312)
Cash paid to employees		(4,943,084)	(3,893,514)	(4,807,753)	(3,760,983)
Cash paid to external parties		(10,337,522)	(8,179,587)	(5,719,382)	(7,480,348)
		(6,445,323)	(19,011,014)	(1,804,024)	(18,106,153)
Corporate tax paid	19	(123,040)	(258,435)	(139,353)	(258,435)
Net cash used in operating activities		(6,568,363)	(19,269,449)	(1,943,377)	(18,364,588)
Cash flows from investing activities					
Investment income received		33,283,380	30,396,556	33,279,747	30,394,384
Purchase of investment property	13	(206,654)	(621,055)	(138,385)	(621,055)
Dividend received		1,369,591	1,173,602	1,365,821	1,173,602
Other income received		973,491	1,180,966	933,856	977,399
Proceeds on disposal of property and equipment		976	7,262	976	7,262
Purchase of Financial assets designated at fair value	7.1	(60,731,695)	(52,102,514)	(60,731,695)	(52,102,514)
Purchase of available for sale financial asset	7.2(c)	(24,469,336)	(15,418,571)	(24,469,336)	(15,418,571)
Purchase of Held to Maturity Investment Securities		(3,884,074)	-	(3,884,074)	-
Payment for Loans and Receivables		(525,884)	(551,061)	(525,884)	(551,061)
Purchase of intangible assets	16	(17,387)	(32,956)	(17,392)	(32,341)
Purchase of property and equipment	12	(783,888)	(1,001,289)	(767,371)	(957,011)
Proceeds on disposal of Investment securities		45,873,576	87,324,063	45,045,123	86,638,972
Loans repayment received	11	454,181	1,795,687	454,181	1,795,687
Investment in subsidiary	14a	-	-	(84,282)	(2,795,561)
Deposit for shares	10a	-	-	(2,164,276)	-
Cash from subsidiaries distributed		-	-	-	-
Proceeds on disposal of investment property		130,000	295,624	130,000	-
Net cash (used in)/from investing activities		(8,533,723)	52,446,314	(11,572,990)	48,509,192
Cash flows from financing activities					
Dividend paid to equity holders (parents)		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Net cash used in financing activities		(3,500,000)	(3,500,000)	(3,500,000)	(3,500,000)
Net increase in cash and cash equivalents		(18,602,087)	29,676,866	(17,016,368)	26,644,605
Effect of exchange rate fluctuations on cash held		3,371,155	1,473,665	3,371,155	1,473,665
Cash and cash equivalents at beginning of year	5	58,200,553	27,050,021	54,328,877	26,210,607
Cash and cash equivalent at end of year	5	42,969,621	58,200,553	40,683,664	54,328,877

Notes To The Financial Statements

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

ENTERPRISE RISK MANAGEMENT (ERM) STATEMENT

3 Introduction

Leadway Assurance Company Limited (Leadway) applies an entity-wide approach to its risk management process such that both existing and anticipated risks are identified upfront and appropriate responses are applied to reduce the likelihood of the risk downside while exploiting the opportunities inherent in the risks, thus creating value. provides guidance to management and staff to ensure that all actions taken and activities carried out with respect to risk management are consistent with the Company's strategic goals and business objectives. The ERM Framework forms the standard against which we benchmark our risk identification and risk mitigation approach for certain vulnerabilities and then set tolerances for risks we cannot fully avoid.

Purpose

The general purpose of Leadway's ERM Framework is to provide the internal stakeholders with the guidance that ensures that all decisions made and activities conducted with regard to risk management are in congruence with the entity's goals and business units' objectives.

The specific benefits we envisage gaining from our ERM framework are to:

- Protect and strengthen the company's capital base such that risk acceptances are guided by our Risk Appetite Framework and exposures are curtailed within tolerance limits.
- Give reasonable assurance to our policyholders and the regulators about our ability to promptly pay claims arising now and in the future.
- Communicate the risks being taken by the company to the investors and ensure that the strategic objectives of the organization are aligned with the expectations of capital providers.
- Provide the means to promote and demonstrate best practices in governance and risk management, and deliver more efficient use of capital.
- To ensure Leadway's operational resilience in the face of systematic shocks or disruptions. -To improve the control and coordination of risk taking across the Company.
- To maximize opportunities, earnings potential and ultimately our stakeholder value.
- Our risk management philosophy and culture represent our shared values, attitude and practice of how we consider risk in our day-to-day operations across all levels. As insurers, we anticipate risks and in advance, respond appropriately.
- We regard every one of our employees as a risk manager and we all take individual and collective ownership of the ERM responsibilities.
- We observe prudence in our underwriting processes and limit our risks to the Board approved risk appetite and tolerance levels.
- We have no tolerance for infractions of laws and regulations and we detest business relationship with disreputable business entities and individuals.

Risk Management Strategy

Our risk management methodology recognizes that there cannot be total elimination of risk but we are determined to reduce both the severity and probability of the occurrence of risk issues through appropriate risk responses. We have deployed an ERM policy that focuses on taking enterprise-level view of interrelationships among various risks with a view to providing an effective response to managing the material risks that present the greatest threats to our existence and operations as an insurance company.

We adopt the following strategies in managing risks in Leadway:

- i) Incorporate risk management principles into all functions and ensure an environment in which the Board and senior management set the tone for effective controls
- ii) Establish well-defined risk management process for risk identification, assessment, controlling, monitoring, and reporting
- iii) Entrench a structured and disciplined approach to assets balancing that will prevent concentration of risk in any sector, industry, instrument, product or entity.
- iv) Formulation of policies and procedures that ensure that appropriate risk responses, as well as other entity directives, internal policies and control procedures are carried out.
- v) Ensure good corporate governance and pursue zero tolerance for non-compliance to regulatory directives.

External Perspectives

Leadway has continued to project its position as a market leader especially with its contribution to contain the spread of COVID-19 by providing collaborative free insurance coverage to health workers. It single handedly provided Personal Protection Equipment (PPE) materials, COVID-19 test kits and foodstuff as part of its efforts to support optimal testing and treatment of COVID-19 cases as well as access to nutrition in the country during the quarantine period.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Risk Governance, Roles & Responsibilities

Our risk governance focuses on directing and controlling the management of risks within the company by articulating the roles and responsibilities for the board, management, and employees. The policy adopts the three lines of defense model of risk management governance that revolves around the Board, Risk Management Committee and the Audit Committee.

Risk Management Strategy

Our risk management methodology recognises that there cannot be total elimination of risk but we are determined to reduce both the severity and probability of the occurrence of risk events through appropriate responses.

Roles and Responsibilities

The Board

The board has the ultimate accountability for the risk and the related control environment and as such, is responsible for the following:

- To approve the risk management framework, set the risk appetite/tolerance level and the risk management strategy escalated to it, from time to time.
- To appraise the risk management process and the internal controls for effectiveness, appropriateness and adequacy.
- To ensure that the company's ERM Framework is subject to periodic audit by competent personnel independent of the company's risk management functions.

Board Risk & Technical committee

- To review risk management framework and policies and present same for board's approval. -Ensure that the ERM framework takes a portfolio view of risk and that strategy and objectives formulation are predicated on sound understanding and assessment of material risks.
- To challenge risk information and examine the appropriateness of the judgments underlying the setting of the company's risk tolerance/limits.

Business Units

Many of the operational risks reside in the business units and risk owners/champions in these units have responsibilities for risk management in the respective risks. Specifically, business units are responsible for the following:

- To carry out a monthly review of risks profile in the department/unit in compliance with the entity's risk policies and procedures.
- Apply appropriate control measures to manage identified risks and solicit the involvement of the Enterprise Risk Management Division in the escalation of material risks to the Management Committee.
- Be involved in all activities designed to propagate risk management culture within the company and in building firewalls against emerging exposures that may affect the achievement of the company's objectives.
- Produce risk management reports input for consolidation into the overall report repository domiciled in the Enterprise Risk Management Division.
- Provide information towards the development of new approaches to risk management in its domain and collaborate with Enterprise Risk Management Division to prepare appropriate risk mitigation plans for the unit.

Enterprise Risk Management Division

- Responsible for facilitation and co-ordination of risk management activities across the company. -Provision of technical assistance and guidance to business units. It will be responsible for raising awareness of risk management across the company.
- Reviews and analyses the company's business and investment proposals to ensure that risks have been adequately identified and proper mitigating factors put in place.
- Develop Key Risk Indicators (KRIs) for monitoring key drivers associated with identified major risks.
- Monitor compliance with the company's ERM policies/procedures on risk limits and assess the impact regulatory requirements will have on the company's operations.

Internal Audit

- To adopt a risk-based approach to planning and executing the internal audit process/activities by directing internal auditing resources at those areas most important to the organization.
- Evaluate the adequacy and effectiveness of controls encompassing the organization's governance, operations, and information systems.
- Develop internal audit plans that identify and assess risks relevant to the activity under review and ensure that the internal auditing objectives reflect the results of the risk assessment.
- To contribute to the effectiveness of enterprise risk management, by participating in separate evaluations of internal controls and the ERM programme, and recommending improvements.
- To provide advice in the design and improvement of control systems and risk mitigation strategies.
- To challenge the basis of management's risk assessments and evaluate the adequacy and effectiveness of risk treatment strategies.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Risk Landscape

The company's risk landscape comprises of the core risks around our business operations and other risks that are external to them. The company's key risk classifications includes but not limited to the following:

- i) **Insurance Risk** – the risk of loss as a result of improper pricing or/and inadequate reserving. The risk may arise as the insurers are exposed to the risk of timing and expectation of claims and benefit payments. The risk is mitigated through a strong reinsurance programme and effective underwriting strategy that diversifies through appropriate mix.
- ii) **Operational Risk** – the company is exposed to risks associated with process inefficiencies, system failure, human errors and external events. This risk is mitigated through task segregations, alongside other system controls, periodic assessment, proper trainings, and data mining capabilities to uncover patterns in behaviors.
- iii) **Market & Investment Risk** – the risk of loss arising from changes in financial market variable that may impact our investment performance and capital. In mitigating this risk, we have set our exposure to be within the defined risk appetite and tolerance.
- iv) **Regulatory/Compliance Risk** – the risk of loss arising from non-compliance to regulatory requirements resulting in fines and infractions. The company conducts relevant trainings across all levels employees within the firm, with the objective of attaining the status of 'most significantly-compliant insurer'. The company's Governance and Compliance Policies are periodically audited.
- v) **Competition Risk**: the risk of losing business and market share arising from voluntary customer attrition, price war, inefficient work process and poor service delivery. Our company is able to manage this risk through efficient, technology driven premium service delivery and prompt resolution of customer complaints that has enabled the company sustain its market leadership status.
- vi) **Asset and Liability Management (ALM) Risk** – This is the risk of loss arising from mismatch between the firm's asset and liabilities either due to changes in interest rates. e.g. gap, repricing, yield curve risks, etc. Our ALM risk framework focuses on the firm's short & long-term viability subject to balance sheet constraints (hedge ratios). This process is carried out using a multi-factor risk hedge that ensures that the firm hedges the risks across its asset and liability transformation by employing bucket analysis and key rate exposures. We recognize that there are no perfect hedging strategy, hence we ensure all gap risks are within our acceptable risk appetite.
- vii) **Reputational Risk** – This risk focuses on the belief that the firm can and will fulfil its promises to counterparties, policy holders, and creditors as well as the risk that the firm is a fair dealer and follows ethical, social, and environmental practices. The firm manages this risk by embedding strong safety policies that affirm safety and risk management, building trust and value creation are the top strategic priorities for the firm.
- viii) **Cyber Risk** – This is the risk of loss resulting from the failure of the firm's technology systems. Leadway recognizes the importance of this risk as it moves into new technologies. We manage this risk through security awareness trainings on cyber threats, software updates, and an investment in a good IT defense system. The firm also supports this by testing its disaster recovery and business continuity plans annually.

3.1 Capital Management Policies, Objectives and Approach

Approach to capital management

Leadway seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and policyholders.

Leadway's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between available and required capital level on a quarterly basis and taking appropriate actions to influence the capital position of the company in the light of changes in economic conditions and risk characteristics. An important aspect of the company's overall capital management process is the setting of an economic capital coverage ratio range of 1.5x to above 2x, as well as a target risk adjusted rates of return, which are aligned to performance objectives and ensure that the Group is focused on the creation of value for shareholders.

The Group's primary source of capital is its equity shareholders and profit retained over the years. Leadway also utilizes adequate and efficient reinsurance arrangements to protect shareholders' funds by reducing the need for further funding following unfavorable events such as catastrophes or large claims through treaty and facultative reinsurance arrangements.

The capital requirements are routinely forecasted over a 1 year horizon based on the value at risk framework, and following the Solvency II standards. The process is carried out quarterly involving both the Actuarial and ERM teams, with the results presented at both management and Board risk committees.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The Group has developed a framework to identify the risks and quantify their impact on the economic capital. The framework estimates how much capital is required to reduce the risk of insolvency to a remote degree of probability. The framework has also been considered in assessing the capital requirement.

The Company's objectives with respect to capital management are to maintain a capital base that is structured to exceed regulatory requirement and to decide on the efficient use of capital by assessing the return on capital allocated to the various classes of business and/or products.

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Maximum Regulatory Capital	5,000,000	5,000,000	5,000,000	5,000,000
Maximum authorized capital	10,000,000	10,000,000	10,000,000	10,000,000
Paid up share capital	10,000,000	10,000,000	10,000,000	10,000,000

The Group has different requirements depending on the specific operations which it engages in. The Group's main business is Insurance risk underwriting. The insurance business is divided into life and non life business. Note 23a shows the authorized and paid up capital for the life and non life businesses.

Insurance industry regulator measures the financial strength of non-life insurers using a solvency margin model. This test compares insurers' capital against the risk profile. Section 24 (1) of the Insurance Act, 2003 requires that an insurer shall in respect of its business other than its life insurance business, maintain at all times a margin of solvency being the excess of the value of its admissible assets in Nigeria over its liabilities in Nigeria. The solvency margin shall not be less than 15 percent of the gross premium income less reinsurance premiums paid out during the year under review or the minimum paid-up capital which ever is greater. During the year, the Company has complied with this capital requirement. The regulator has the authority to request more extensive reporting and can place restrictions on the Company's operations if the Company falls below this requirement as deemed necessary.

"Effective May 2019, the industry's regulatory body (NAICOM) has increased the minimum required regulatory capital for insurance companies as shown below;

1. Life Insurers: Increased to N8 billion from N2 billion
2. General Insurers: Increased to N10 billion from N3 billion

This implies that composite insurers like Leadway Assurance will now have it's minimum required regulatory capital increased to N18 billion from its current N5 billion.

We will comply with the above listed requirement as a composite insurer. However, the recapitalization has been suspended temporarily due to ongoing litigation. In addition, the finance act of 2021 has redefined what constitutes capital requirement for an Insurance company. The industry is waiting for NAICOM's guideline on this amendment.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

The company's solvency margin as at 31 December 2021 is as follows:

ASSETS	Notes	December 2021			December 2020		
		TOTAL	ADMISSIBLE	INADMISSIBLE	TOTAL	ADMISSIBLE	INADMISSIBLE
Cash and Cash Equivalents	5	40,683,664	37,901,596	2,782,069	54,328,877	48,972,814	5,356,063
Investment Securities	7	339,734,094	339,734,094	-	377,637,000	377,637,000	-
Trade Receivables	6	353,132	353,132	-	97,211	97,211	-
Reinsurance Asset	8	83,245,169	83,245,169	-	58,391,308	58,391,308	-
Deferred Acquisition Cost	9	1,302,467	1,302,467	-	862,676	862,676	-
Other Receivables and Prepayments	10	4,484,031	-	4,484,031	2,557,492	-	2,557,492
Loans and Advances	11	681,541	59,379	622,162	577,144	45,955	531,189
Investment in Subsidiaries	14	5,674,730	-	5,674,730	5,590,448	-	5,590,448
Investment Properties	13	18,647,639	17,198,076	1,449,563	17,694,603	16,248,869	1,445,734
Intangible assets	16	40,613	40,613	-	76,944	76,944	-
Property & Equipment	12	4,892,472	4,892,472	-	4,880,238	4,880,238	-
Statutory Deposit	17	500,000	500,000	-	500,000	500,000	-
Total Assets		500,239,552	485,226,998	15,012,555	523,193,941	507,713,015	15,480,926
LIABILITIES							
Insurance Contract Liabilities	21	357,062,781	357,062,781	-	406,448,505	406,448,505	-
Investment Contract Liabilities	22	34,288,014	34,288,014	-	32,067,632	32,067,632	-
Current Income Tax Liabilities	19	956,651	956,651	-	788,560	788,560	-
Deferred Tax Liabilities	15	2,154,413	-	2,154,413	1,919,527	-	1,919,527
Trade payables	18	18,569,149	18,569,149	-	8,681,794	8,681,794	-
Other Liabilities	20	6,555,502	6,555,502	-	5,398,189	5,398,189	-
Total Liabilities		419,586,510	417,432,097	2,154,413	455,304,207	453,384,680	1,919,527
Excess of admissible assets over liabilities			67,794,901			54,328,335	
Gross Premium			67,524,762			54,449,808	
Less: Reinsurance expense			(20,441,143)			(17,409,396)	
Net premium			47,083,619			37,040,412	
15% thereof			7,062,543			5,556,062	
Minimum paid-up capital			5,000,000			5,000,000	
The higher thereof:							
SURPLUS OF SOLVENCY			60,732,358			48,772,273	
Solvency ratio			960%			978%	

3.2 Asset and liability management

Asset and liability management continues to be the foundation of the investment philosophy at Leadway. The Group still continues to face asset and liability management challenges to fulfil its promises to customers and protect its balance sheet, and thus, we view this risk as primarily arising from mismatches between asset and liabilities and how this impacts income and capital. The Group addresses these risks by ensuring protection of income and capital through managing interest rate risk exposures within authorized levels.

The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance and investment contracts by reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance and investment liabilities. The notes below explain how financial risks are managed using the categories utilized in the Group's ALM framework.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Asset Cover for Insurance Contract Liabilities (Company)

Item	Form	Non Life	Annuity	Investment Contract	Other Life	Total	31-Dec-20	% Change
Insurance Contract Liabilities		109,228,925	231,564,827		16,269,027	357,062,779		
Investment Contract Liabilities				34,288,014		34,288,014		
Gross Insurance Funds		109,228,925	231,564,827	34,288,014	16,269,027	391,350,793	438,516,137	-11%
Reinsurance Receivables								
1 Reinsurance expenses prepaid		4,376,047			418,170	4,794,217	3,635,574	32%
2 Reinsurers share of Claims expense paid		622,646				622,646	380,844	63%
3 Reinsurers share of Claims expense outstanding		76,688,504			1,139,802	77,828,306	54,374,890	43%
Net Insurance Funds		27,541,728	231,564,827	34,288,014	14,711,055	308,105,624	380,124,829	-19%
Admissible Assets								
1 Cash and Cash Equivalents		3,769,006	215,959	2,211,529	8,340	6,204,834	20,053,962	-69%
2 Treasury bills and Government Bonds		9,421,191	228,288,623	19,692,295	7,167,371	264,569,480	342,409,618	-23%
3 Placement with Financial Institutions		25,537,644	1,507,739	2,210,132	1,758,814	31,014,329	34,274,915	-10%
4 Corporate Bonds & Debenture		5,950,419	2,989,835	1,569,026	599,735	11,109,014	11,492,170	-3%
5 Ordinary Shares		2,385,897	1,287,439	8,759,453	6,542,502	18,975,291	23,735,212	-20%
6 Agency Loan		-		127,994		127,994	54,440	135%
7 Loan to Policy holders		-			530,318	530,318	415,061	28%
8 Investment Properties		-	2,618,689	1,815,150		4,433,838	16,248,869	-73%
Total Admissible Assets		47,064,157	236,908,284	36,385,579	16,607,080	336,965,098	448,684,247	-25%
SURPLUS IN ASSETS COVER		19,522,429	5,343,457	2,097,565	1,896,025	28,859,474	68,559,418	-58%

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3.2 ASSET AND LIABILITY MANAGEMENT

(a) HYPOTHECATION OF ASSETS (COMPANY)

As at 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

COMPANY 2021		Non Life			Life		
	Shareholder's fund	Policy holder's Fund	Shareholder's fund	Deposit Admin. Fund	Annuity Fund	Policy holder's Fund (LIFE)	TOTAL
Assets							
Cash and cash equivalents							-
Bank Placements	2,489,993	25,537,644	821,894	2,210,132	1,507,739	1,758,814	34,326,216
Bank and Cash Balances	133,219	3,769,006	19,394	2,211,529	215,959	8,340	6,357,448
Trade receivables	-	327,210	-	-	-	25,922	353,132
Investment securities:	-	-	-	-	-	-	-
Treasury Bills	-	-	492,511	1,288,439	149,446	733,772	2,664,168
Government Bonds	18,878,531	9,421,191	2,199,768	18,403,856	228,139,177	6,433,599	283,476,122
Corporate bonds	1,886,769	5,950,419	218,763	1,569,026	2,989,835	599,735	13,214,545
Quoted Securities	6,185,694	349,883	7,656,897	8,240,564	1,287,439	6,342,414	30,062,890
Unquoted Securities	4,119,654	2,036,015	3,441,722	518,889	-	200,088	10,316,369
Reinsurance assets	-	81,687,197	-	-	-	1,557,972	83,245,169
Deferred acquisition cost	-	1,302,467	-	-	-	-	1,302,467
Other receivables and prepayments	2,578,598	-	1,905,433	-	-	-	4,484,032
Loans and advances	-	23,230	-	127,994	-	530,318	681,542
Property and equipment	2,629,877	-	2,262,594	-	-	-	4,892,471
Investment properties	5,739,223	-	8,474,578	1,815,150	2,618,689	-	18,647,639
Investment in subsidiaries	-	-	5,674,730	-	-	-	5,674,730
Deferred tax assets	-	-	-	-	-	-	-
Intangible assets	40,612	-	-	-	-	-	40,612
Statutory deposits	300,000	-	200,000	-	-	-	500,000
Total:	44,982,170	130,404,262	33,368,284	36,385,579	236,908,284	18,190,974	500,239,552
Liabilities							
Trade payables & other liabilities	18,503,323	1,652,907	4,968,422	-	-	25,922	25,124,652
Current income tax liabilities	438,746	-	517,905	-	-	-	956,651
Insurance contract liabilities	-	109,228,925	-	-	231,564,827	16,269,027	357,062,779
Investment contract liabilities	-	-	-	34,288,014	-	-	34,288,014
Deferred tax liabilities	1,910,635	-	243,778	-	-	-	2,154,413
TOTAL:	20,852,704	110,881,832	5,730,105	34,288,014	231,564,827	16,294,949	419,586,509
Surplus/(Deficit)	24,129,466	19,522,430	27,638,179	2,097,565	5,343,457	1,896,025	80,653,044



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COMPANY 2021

Non Life

Life

	Shareholder's fund	Policy holder's Fund	Shareholder's fund	Deposit Admin. Fund	Annuity Fund	Policy holder's Fund (LIFE)	TOTAL
Assets							
Cash and cash equivalents							
Bank Placements		21,919,768	350,493	2,382,730	8,797,625	824,300	34,274,916
Bank and Cash Balances	300,001	2,060,556	570,601	4,150,002	9,187,842	3,784,959	20,053,961
Trade receivables	-	36,012	-	-	-	61,199	97,211
Investment securities:		-	-	-	-	-	-
Treasury Bills	-	-	-	66,512	-	399,704	466,216
Government Bonds	10,845,208	12,052,240	2,134,527	19,288,926	285,239,754	5,738,049	335,298,705
Corporate bonds	908,854	5,950,419	278,949	1,028,105	9,068,324	259,128	17,493,778
Quoted Securities	5,527,960	413,556	3,412,242	2,353,565	3,298,547	2,094,716	17,100,586
Unquoted Securities	2,994,804	933,812	3,325,234	-	-	23,866	7,277,716
Reinsurance assets		57,540,620	-	-	-	850,687	58,391,307
Deferred acquisition cost		862,676	-	-	-	-	862,676
Other receivables and prepayments		1,308,647	-	-	-	1,811,321	3,119,968
Loans and advances		14,667	-	-	-	-	14,667
Property and equipment	2,430,746		2,449,491	-	-	-	4,880,237
Investment properties	5,451,597		12,243,006	-	-	-	17,694,603
Investment in subsidiaries				5,590,448			5,590,448
Deferred tax assets							-
Intangible assets	76,944		-				76,944
Statutory deposits	300,000		200,000				500,000
Total:	28,836,114	103,092,973	24,964,543	34,860,288	315,592,092	15,847,929	523,193,939
Liabilities							
Trade payables	10,513,958		3,566,029				14,079,987
Current income tax liabilities		301,778	486,783				788,561
Other liabilities							-
Insurance contract liabilities		83,378,971			311,074,834	11,994,701	406,448,506
Investment contract liabilities				32,067,631			32,067,631
Deferred tax liabilities		1,702,327	217,200				1,919,527
TOTAL:	10,513,958	85,383,076	4,270,012	32,067,631	311,074,834	11,994,701	455,304,212
Surplus	18,322,156	17,709,897	20,694,531	2,792,657	4,517,258	3,853,228	67,889,727

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For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

GROUP 2021		Non Life			Life		
	Shareholder's fund	Policy holder's Fund	Shareholder's fund	Deposit Admin. Fund	Annuity Fund	Policy holder's Fund (LIFE)	TOTAL
Assets							
Cash and cash equivalents							-
Bank Placements	2,489,993	25,537,644	821,894	2,210,132	3,793,697	1,758,814	36,612,174
Bank and Cash Balances	133,219	3,769,006	19,394	2,211,529	215,959	8,340	6,357,448
Trade receivables	-	327,210	-	-	-	100,824	428,034
Investment securities:	-	-	-	-	-	-	-
Treasury Bills	-	-	492,511	1,288,439	149,446	733,772	2,664,168
Government Bonds	18,878,531	9,421,191	2,199,768	18,403,856	228,139,177	6,433,599	283,476,122
Corporate bonds	1,886,769	5,950,419	218,763	1,569,026	2,989,835	599,735	13,214,545
Quoted Securities	6,185,694	349,883	7,656,897	8,240,564	1,383,314	6,342,414	30,158,765
Unquoted Securities	4,119,654	2,036,015	3,441,722	518,889	-	200,088	10,316,369
Reinsurance assets	-	81,687,197	-	-	-	1,591,117	83,278,314
Deferred acquisition cost	-	1,302,467	-	-	-	-	1,302,467
Other receivables and prepayments	2,578,598	-	3,639,069	-	-	-	6,217,668
Loans and advances	-	23,230	-	127,994	-	530,317	681,541
Property and equipment	2,629,877	-	2,353,229	-	-	-	4,983,106
Investment properties	5,739,223	-	9,910,999	1,815,150	2,618,689	-	20,084,060
Investment in subsidiaries	-	-	-	-	-	-	-
Deferred tax assets	-	-	-	-	-	-	-
Intangible assets	40,612	-	1,649,884	-	-	-	1,690,496
Statutory deposits	300,000	-	200,000	-	-	-	500,000
Total:	44,982,170	130,404,262	32,604,130	36,385,579	239,290,117	18,299,020	501,965,277
Liabilities							
Trade payables & other liabilities	18,503,323	1,652,907	4,968,422	-	-	305,405	25,430,058
Current income tax liabilities	438,746	-	563,537	-	-	-	1,002,283
Insurance contract liabilities	-	109,228,925	-	-	232,096,446	16,269,027	357,594,398
Investment contract liabilities	-	-	-	35,917,975	-	-	35,917,975
Deferred tax liabilities	1,910,635	-	243,778	-	-	-	2,154,413
TOTAL:	20,852,704	110,881,832	5,775,737	35,917,975	232,096,446	16,574,432	422,099,127
Surplus/(Deficit)	24,129,466	19,522,430	26,828,393	467,604	7,193,671	1,724,588	79,866,151



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GROUP 2020

Non Life

Life

	Shareholder's fund	Policy holder's Fund	Shareholder's fund	Deposit Admin. Fund	Annuity Fund	Policy holder's Fund (LIFE)	TOTAL
Assets							
Cash and cash equivalents							
Bank Placements		21,919,768	2,111,084	2,382,730	10,908,709	824,301	38,146,593
Bank and Cash Balances	300,001	2,060,556	570,601	4,150,002	9,187,842	3,784,959	20,053,961
Trade receivables	-	36,012	-	-	-	102,351	138,363
Investment securities:		-	-	-	-	-	-
Treasury Bills	-	-	-	66,512	-	399,704	466,216
Government Bonds	10,845,208	12,052,240	2,134,527	19,288,926	283,105,227	7,872,576	335,298,705
Corporate bonds	908,854	5,950,419	278,949	1,028,105	9,068,324	259,128	17,493,778
Quoted Securities	5,527,960	413,556	3,412,242	2,353,565	3,298,547	2,188,087	17,193,957
Unquoted Securities	2,994,804	933,812	3,325,234	-	-	23,866	7,277,716
Reinsurance assets		57,540,620	-	-	-	859,273	58,399,893
Deferred acquisition cost		862,676	-	-	-	-	862,676
Other receivables and prepayments		1,308,647	-	-	-	2,322,305	3,630,951
Loans and advances		14,667	-	-	-	-	14,667
Property and equipment	2,430,746		2,581,628	-	-	-	5,012,374
Investment properties	5,451,597			13,611,158	-	-	19,062,755
Investment in subsidiaries							-
Deferred tax assets							-
Intangible assets	76,944		1,651,931				1,728,875
Statutory deposits	300,000		200,000				500,000
Total:	28,836,114	103,092,973	16,266,196	42,880,998	315,568,649	18,636,550	525,281,480
Liabilities							
Trade payables		10,513,958				3,881,551	14,395,509
Current income tax liabilities		301,778	513,999				815,777
Other liabilities							-
Insurance contract liabilities		83,378,971			311,074,834	12,283,385	406,737,190
Investment contract liabilities				33,970,667			33,970,667
Deferred tax liabilities		1,702,327	217,200				1,919,527
TOTAL:	-	95,897,034	731,199	33,970,667	311,074,834	16,164,936	457,838,670
Surplus	28,836,114	7,195,939	15,534,997	8,910,331	4,493,815	2,471,614	67,442,810

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3.3 Financial risk management

The Group is exposed to a range of financial risks through its financial instrument, reinsurance assets and insurance liabilities. The key financial risk is that in the long term its investments proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of the financial risks are:

- Credit risks
- Liquidity risks
- Market risks

3.3.1 Credit risks

Credit risks arise from the default of a counterparty to fulfil its on and/or off- balance sheet contractual obligations. Exposure to this risk results from financial transactions with a counterparty including issuer, debtor, investee, borrower, broker, policy holder, reinsurer or guarantor.

The Group has policies in place to mitigate its credit risks.

- (i) The Group's Enterprise risk management policy sets out the assessment and determination of what constitutes credit risk for the company. Compliance with the policy is monitored and exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

Net exposure limits are set for each counterparty or group of counterparties (i.e. limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).

- (ii) The Group's set guidelines determine when to obtain collateral and guarantees. The Group also maintains strict control limits by amount and terms on financial assets. The amounts subject to credit risk are limited to the fair value of 'in the money' financial assets against which the Group either obtains collateral from counterparties or requires margin deposits. Collateral may be sold or repledged by the Group and is repayable if the contract terminates or the contract's fair value falls.
- (iii) Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the management and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- (iv) The Group sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings and worthiness.
- (v) The credit risk in respect of customer balances incurred on non-payment of premiums or contributions will only persist during the grace period specified in the policy document or trust deed until expiry, when the policy is either paid up or terminated. Commission paid to intermediaries is netted off against amounts receivable from them to reduce the risk of doubtful debts.
- (vi) In evaluating credit risk (impairment), the group determines impairment on loans that are not specifically impaired using a model in line with the requirements of IFRS as follows:

$$\text{Impairment} = \text{EAD} * \text{PD} * \text{LGD}$$

the parameters are defined as follows:

1. Probability of default (PD) : This is the probability that a counterparty will default on an existing commitment usually over a 12 months period
2. Loss given default (LGD) : This is the portion of a loan or receivable determined to be irrecoverable, our methods considers prior period experience, other qualitative factors and future economic prospect
3. Exposure at default (EAD): This represents the amount that is due or outstanding at the time of default.

"

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.3.1. Maximum exposure to credit

1. risk	Notes	31-Dec-21	31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Cash and cash equivalents (See note 1 below)	5	42,966,406	58,194,015	40,680,739	54,322,376
Trade receivables	6	914,818	138,363	839,917	97,211
Investment securities:					
- Fair value through profit or loss (See note 2 below)	7.1	255,585,741	320,036,491	255,585,741	320,036,491
- Available for sale	7.2	39,996,990	33,958,668	39,901,115	33,865,297
- Held to maturity	7.3	-	-	-	-
Reinsurance Assets (See note 3 below)	8	78,484,096	54,764,319	78,450,952	54,755,733
Other receivables (See note 4 below)	10	1,438,170	1,225,121	1,438,170	1,331,307
Loans and advances	11	681,541	577,144	681,541	577,144
Statutory deposits	17	500,000	500,000	500,000	500,000
Total assets exposed to credit risk		420,567,762	469,394,121	418,078,175	465,485,559

- Cash and cash equivalents excludes the balance in hand which is not exposed to credit risk.
- Assets measured at fair value through profit or loss and Available for sale financial instrument do not include the balance of equity securities in these classes of asset as equity securities are not exposed to credit risk.
- Reinsurance Assets only includes amount recoverable on claims reported (excluding IBNR) and amount due from reinsurers. The balance on prepaid reinsurance is excluded from this analysis.
- Other receivables excludes prepayments and other non financial assets. (see note 10)

The Group's investment portfolio is exposed to credit risk through its fixed income and money market instruments. The contribution of the fixed Income & money market instruments to the Group's investment is as follows:

3.3.1.2 Counterparty risk

(a) Cash and cash equivalent

The group and company's counterparty exposure of its cash and cash equivalent is represented below:

	Notes	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Counterparty					
National banks		33,456,049	46,921,895	33,456,049	46,921,895
Foreign banks		5,067,989	7,326,796	2,782,069	3,455,157
Investment banks		4,439,045	3,945,325	4,439,045	3,945,325
		42,963,083	58,194,016	40,677,163	54,322,377
Counterparty					
National banks		78%	80%	83%	86%
Foreign banks		12%	13%	7%	6%
Investment banks		10%	7%	11%	8%
		100%	100%	100%	100%

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

(b) Investment securities

The group and company's counterparty exposure of its investment securities is represented below:

Counterparty	Notes	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Federal Government of Nigeria		285,817,043	343,170,909	285,817,043	343,170,909
State Government in Nigeria		100,415	2,321,025	100,415	2,321,025
Corporates with acceptable risk ratings		13,533,252	8,808,551	13,437,377	8,409,854
		299,450,710	354,300,485	299,354,835	353,901,788

(c) Trade receivables

Credit risk exposure to trade receivables arises from the 30 days window given by NAICOM in the "No Premium No Cover" policy. This give the brokers latitude to withhold premium collected from the insured for 30 days before remittance. However, they are expected to issue their credit note and remit the premium on or before the expiration of the 30 days grace period. Brokers who fail to remit are reported on a quarterly basis to NAICOM and are subject to the downgrading process in line with the Group's policy. The Group's risk exposure to credit risk is low as the receipt of insurance premium from the insured is a pre-condition for the issuance of insurance cover.

(d) Loans and advances

Credit risk exposure to direct business is low as the Company requires debtors to provide guarantees before inception of insurance policies. The Company's exposure to credit risk arising from brokered business is relatively moderate and the risk is managed by the Group's internal rating model for brokers. Our credit risk internal rating model is guided by several weighted parameters which determine the categorization of brokers the Group transacts businesses with.

(e) Reinsurance receivable

Reinsurance contract is executed only with reinsurers with a minimum acceptable credit rating. Management monitors the credit worthiness of reinsurers by reviewing their annual financial statements and through ongoing communications. Reinsurance treaties are reviewed annually by management prior to renewal of reinsurance contracts.

3.3.1.3 Credit quality

Group 2021	Notes	AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	5	12,736,332	17,084,906	8,531,177	3,024,824	42,966,406
Investment securities:						-
Investment securities - FVTPL (excl. equity)	7.1	1,071,503	4,653,496	249,860,741	-	255,585,741
Investment securities - AFS (excl. equity)	7.2	-	-	39,746,384	154,731	39,996,990
Investment securities - HTM				3,867,979		3,867,979
Trade receivables	6	-	-	-	914,818	914,818
Loans and advances	11	-	-	-	681,541	681,541
Reinsurance Assets	8	-	-	-	78,484,096	78,484,096
Other receivables (excl. prepayments)	10	-	-	-	1,438,170	1,438,170
Statutory deposits	17	-	-	500,000	-	500,000
Past due but not impaired						
Loans and advances		-	-	-	-	-
Past due and impaired						
Loans and advances		-	-	-	1,138	1,138
Less specific impairment on past due and impaired:						
Loans and advances		-	-	-	(112)	(112)
		13,807,835	21,738,402	302,506,281	84,699,206	424,436,767

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group 2020

	Notes	AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	5	20,645,134	23,667,474	8,366,223	5,516,414	58,194,015
Investment securities:						-
Investment securities - FVTPL (excl. equity)	7.1	1,394,871	5,453,386	313,188,234	-	320,036,491
Investment securities - AFS (excl. equity)	7.2	-	102,183	33,763,114	398,697	33,958,668
Investment securities - HTM						-
Trade receivables	6					-
Loans and advances	11	-	-	-	138,363	138,363
Reinsurance Assets	8	-	-	-	577,144	577,144
Other receivables (excl. prepayments)	10	-	-	-	54,764,319	54,764,319
Statutory deposits	17	-	-	-	1,225,121	1,225,121
		-	-	500,000	-	500,000
Past due but not impaired						
Loans and advances		0	0	0	0	-
Past due and impaired						
Loans and advances		-	-	-	2,397	2,397
Less specific impairment on past due and impaired:						
Loans and advances		-	-	-	-	-
		22,040,005	29,223,043	355,817,571	62,622,454	469,396,518

Company 2021

		AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	5	12,736,332	17,084,906	8,531,177	3,024,824	40,680,739
Investment securities - FVTPL (excl. equity)	7.1	1,071,503	4,653,496	249,860,741	-	255,585,741
Investment securities - AFS (excl. equity)	7.2	-	-	39,746,384	154,731	39,901,115
Investment securities - HTM		-	-	3,867,979	-	3,867,979
Trade receivables	6	-	-	-	839,917	839,917
Loans and advances	11	-	-	-	681,541	681,541
Other receivables - financial assets	10	-	-	-	1,438,170	1,438,170
Statutory deposits	17	-	-	500,000	-	500,000
Reinsurance assets (Due from reinsurers)	8	-	-	-	78,450,952	78,450,952
Past due but not impaired						
Loans and advances		-	-	-	-	-
Past due and impaired						
Loans and advances		-	-	-	1,138	1,138
Less specific impairment on past due and impaired:						
Loans and advances		-	-	-	-	-
		13,807,835	21,738,402	302,506,281	84,591,273	421,947,292

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Company 2020	Notes	AA+/AA-	A+/A-	BB+/BB-	UNRATED	TOTAL
Neither past due nor impaired						
Cash and cash equivalents (excl. cash on hand)	5	20,645,134	23,667,474	8,366,223	1,643,546	54,322,376
Investment securities - FVTPL (excl. equity)	7.1	1,394,871	5,453,386	313,188,234	-	320,036,491
Investment securities - AFS (excl. equity)	7.2	-	102,183	33,763,114	-	33,865,297
Investment securities - HTM	-	-	-	-	-	-
Trade receivables	6	-	-	-	97,211	97,211
Loans and advances	11	-	-	-	577,144	577,144
Other receivables - financial assets	10	-	-	-	1,331,307	1,331,307
Statutory deposits	17	-	-	500,000	-	500,000
Reinsurance assets (Due from reinsurers)	-	-	-	-	54,755,734	54,755,734
Past due but not impaired						
Loans and advances	-	-	-	-	-	-
Past due and impaired						
Loans and advances	-	-	-	-	2,397	2,397
Less specific impairment on past due and impaired: Loans and advances	-	-	-	-	-	-
		22,040,005	29,223,043	355,817,571	58,407,338	465,487,957

Global Corporate Rating (GCR)'s rating symbols and Definitions

AAA	Extremely strong financial security characteristics and is the highest FSR assigned by GCR.
AA+	Has very strong financial security characteristics, differing only slightly from those rated higher.
AA	
AA-	
A+	Has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than assurers with higher ratings.
A	
A-	
BBB+	Has good financial security characteristics, but is much more likely to be affected by adverse business conditions than assurers with higher ratings.
BBB	
BBB-	
BB+	Has vulnerable financial security characteristics, which might outweigh its strengths. The ability of these companies to discharge obligations is not well safeguarded in the future.

Notes	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Past due and impaired				
0 - 90 days	1,138	-	1,138	-
90 - 180 days	-	-	-	-
181 days and above	-	-	-	-
	1,138	-	1,138	-



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Concentration of credit risk

All credit risks are concentrated across many industries. The Group monitors concentration of credit risk by sector

Group 2021	Notes	Financial institution	Public sector	Others	Total
Cash and cash equivalents	5	42,966,406	-	-	42,966,406
Investment securities - FVTPL (excl. equity)	7.1	4,289,480	251,296,260	-	255,585,741
Investment securities - AFS (excl. equity)	7.2	8,310,850	30,623,261	1,060,374	39,996,990
Investment securities - HTM		614,857	3,253,122	-	3,867,979
Trade receivables	6	-	-	914,818	914,818
Loans and advances	11	64,085	-	617,456	681,541
Other receivables (excl. prepayments)	10	-	-	1,438,170	1,438,170
Statutory deposits	17	500,000	-	-	500,000
Reinsurance Assets	8	78,484,096	-	-	78,484,096
Total		135,229,774	285,172,643	4,030,818	424,435,741

Group 2020	Notes	Financial institution	Public sector	Others	Total
Cash and cash equivalents	5	58,194,015	-	-	58,194,015
Investment securities - FVTPL (excl. equity)	7.1	1,932,115	315,183,351	2,921,025	320,036,491
Investment securities - AFS (excl. equity)	7.2	134,815	33,644,997	178,856	33,958,668
Investment securities - HTM	0	-	-	-	-
Trade receivables	6	-	-	138,363	138,363
Loans and advances	11	64,085	-	513,059	577,144
Other receivables (excl. prepayments)	10	-	-	1,225,121	1,225,121
Statutory deposits	17	500,000	-	-	500,000
Reinsurance Assets	8	54,764,319	-	-	54,764,319
Total		115,589,349	348,828,348	4,976,424	469,394,121

Company 2021	Notes	Financial institution	Public sector	Others	Total
Cash and cash equivalents	5	40,680,739	-	-	40,680,739
Investment securities - FVTPL (excl. equity)	7.1	4,289,480	251,296,260	-	255,585,741
Investment securities - AFS (excl. equity)	7.2	8,310,850	30,623,261	967,004	39,901,115
Investment securities - HTM	0	614,857	3,253,122	-	3,867,979
Trade receivable	6	-	-	839,917	839,917
Loans and advances	11	64,085	-	617,456	681,541
Other receivables - financial assets	10	-	-	1,438,170	1,438,170
Statutory deposits	17	500,000	-	-	500,000
Reinsurance Assets	8	78,450,952	-	-	78,450,952
Total		132,910,963	285,172,643	3,862,547	421,946,154

Company 2021	Notes	Financial institution	Public sector	Others	Total
Cash and cash equivalents	5	54,322,376	-	-	54,322,376
Investment securities - FVTPL (excl. equity)	7.1	1,932,115	315,183,351	2,921,025	320,036,491
Investment securities - AFS (excl. equity)	7.2	134,815	33,644,997	85,486	33,865,297
Investment securities - HTM	0	-	-	-	-
Trade receivable	6	-	-	97,211	97,211
Loans and advances	11	64,085	-	513,059	577,144
Other receivables - financial	10	-	-	1,331,307	1,331,307
Statutory deposits	17	500,000	-	-	500,000
Reinsurance Assets	8	54,755,734	-	-	54,755,734
Total		111,709,125	348,828,348	4,948,088	465,485,560

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.3.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

The following policies and procedures are in place to mitigate the company's exposure to liquidity risk:

The Company's Enterprise risk policy is the umbrella policy that guides the assessment and determination of all material risks, which is not limited to liquidity risk. Compliance with the policy is monitored and exposures and breaches are reported to the company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment. With regards to liquidity risk, this policy is also supported by the investment guidelines that sets out asset allocations, portfolio limit structures, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.

The table that follows summarizes the maturity profile of the non-derivative financial assets and financial liabilities of the Group based on remaining undiscounted contractual obligations, including interest payable.

For insurance contracts liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance liabilities. Unearned premiums and the reinsurers' share of unearned premiums have been excluded from the analysis as they are not contractual obligations.

Repayments which are subject to notice are treated as if notice were to be given immediately.

Maturity analysis (contractual undiscounted cash flow basis for non-derivatives)

Using the behavioural pattern of our funding sources over time, the Group's expected cash flows on some financial assets and liabilities to vary significantly from the contractual cash flows. As part of management of liquidity risk arising from financial liabilities, the Group maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseen interruption of cash flow.

The table below shows the undiscounted cash flow on the Group's financial assets and liabilities and on the basis of the earliest possible contractual maturity. The gross nominal inflow/outflow disclosed in the table is the contractual, undiscounted cash flows on the financial assets and liabilities. Whilst the table below have been prepared based on the contractual maturities, the maturity profile based on the behavioural pattern of the assets and liabilities observed over a very long period (five years) presents management with a reliable basis to manage the inherent liquidity risks.



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Contractual maturities of financial assets and liabilities

Group

31 December 2021	Notes	Carrying amount	Gross nominal	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years
Assets								
Cash and cash equivalents	5	42,969,621	42,969,621	36,504,642	3,333,459	3,131,521	-	-
Trade receivables	6	914,818	914,818	839,917	-	-	-	-
Investment securities - FVTPL	7.1	258,307,185	823,307,641	15,145,584	8,282,219	23,427,804	161,831,806	614,620,228
Investment securities - Available for sale	7.2	77,654,805	103,707,148	1,327,093	1,190,868	2,119,265	31,551,965	67,820,778
Investment securities - Held to maturity	7.3	3,867,979	7,337,456	193,342	60,775	254,117	2,340,610	4,488,612
Reinsurance assets (Excl. prepaid reinsurance)	8	78,484,096	78,484,096	21,394,176	14,463,081	42,606,264	-	-
Other receivables - financial assets	10	1,438,170	1,438,170	1,438,170	-	-	-	-
Loans and Advances	11	681,541	681,541	-	91,632	589,909	-	-
Statutory deposit	17	500,000	500,000	-	-	-	-	500,000
Total financial assets		464,818,215	1,059,340,491	76,842,924	27,422,034	72,128,880	195,724,381	687,429,618
Liabilities								
Trade payables	18	18,600,653	18,600,653	9,700,624	8,900,029	-	-	-
Other liabilities - financial liabilities	20	3,035,214	3,035,215	1,577,425	1,267,328	190,461	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	21	328,874,347	664,717,317	8,221,613	8,200,464	16,390,465	129,910,335	501,994,441
Investment contract liabilities	22	35,917,975	35,218,705	2,250,651	1,196,243	3,868,097	15,448,799	12,454,916
Total financial liabilities		386,428,189	721,571,890	21,750,313	19,564,064	20,449,023	145,359,134	514,449,357
Gap		78,390,026	337,768,601	55,092,611	7,857,970	51,679,856	50,365,247	172,980,261

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Contractual maturities of financial assets and liabilities Group

31 December 2020	Note	Carrying amount	Gross nominal	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years
Cash and cash equivalents	5	58,200,553	58,200,553	47,590,466	6,088,820	4,522,495	-	-
Trade receivables	6	138,363	138,363	97,211	-	-	-	-
Investment securities - FVTPL	7.1	322,052,797	745,430,762	5,913,453	8,094,341	110,633,685	127,310,384	493,478,900
Investment securities - Available for sale	7.2	55,677,574	673,458,936	1,458,942	802,423	566,333,002	22,917,856	82,252,037
Reinsurance assets (Excl. prepaid reinsurance)	8	54,764,319	35,853,273	21,394,176	14,463,081	-	-	-
Other receivables - financial assets	10	1,225,121	1,225,121	-	-	-	-	-
Loans and Advances	11	577,144	95,809	-	91,632	4,177	-	-
Statutory deposit	17	500,000	500,000	-	-	-	-	500,000
Total financial assets		493,135,871	1,514,902,817	77,679,369	29,540,297	681,493,359	150,228,240	576,230,937
Trade payables	18	8,690,090	8,690,090	8,690,090	-	-	-	-
Other liabilities - financial liabilities	20	3,143,683	3,143,683	1,490,603	1,135,406	517,673	-	-
Borrowings	21	-	-	-	-	-	-	-
Insurance contract liabilities (excl. IBNR and unearned premium))	21	383,803,184	633,509,753	7,608,822	7,630,054	15,259,805	121,447,435	481,563,638
Investment contract liabilities	22	33,970,668	29,514,945	1,854,392	1,040,331	3,363,950	12,424,662	10,831,610
Total financial liabilities		429,607,625	674,858,471	19,643,907	9,805,791	19,141,428	133,872,097	492,395,248
Gap		63,528,246	840,044,346	58,035,462	19,734,506	662,351,931	16,356,143	83,835,691

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Contractual maturities of financial assets and liabilities

Company

31 December 2021	Note	Carrying amount	Gross nominal	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years
Assets								
Cash and cash equivalents	5	40,683,664	40,683,664	36,504,642	4,179,022	-	-	-
Trade receivables	6	839,917	839,917	839,917	-	-	-	-
Investment securities - FVTPL	7.1	258,307,185	823,307,641	15,145,584	8,282,219	23,427,804	161,831,806	614,620,228
Investment securities - Available for sale	7.2	77,558,930	103,611,273	928,397	1,190,868	2,119,265	31,551,965	67,820,778
Investment securities - Held to maturity	7.3	3,867,979	7,337,456	193,342	60,775	254,117	2,340,610	4,488,612
Reinsurance assets (Excl. prepaid reinsurance)	8	78,450,952	78,450,952	21,381,607	14,463,081	42,606,264	-	-
Other receivables - financial assets	10	14,381,700	14,381,700	14,381,700	-	-	-	-
Loans and advances	11	681,541	681,541	91,632	589,909	-	-	-
Statutory deposit	17	500,000	500,000	-	-	-	-	500,000
Total financial assets		462,328,338	1,056,850,614	76,431,659	28,267,597	68,997,359	195,724,381	687,429,618
Liabilities								
Trade payables	18	18,569,149	18,569,149	9,690,123	8,879,026	-	-	-
Other liabilities - financial liabilities	20	2,841,581	3,035,215	1,577,425	1,267,328	190,461	-	-
Insurance contract liabilities (excl. IBNR and unearned premium)	21	328,342,728	664,395,911	8,221,613	8,200,464	16,390,465	129,588,929	501,994,441
Investment contract liabilities	22	34,288,014	34,288,014	2,132,305	1,196,243	3,868,097	14,636,454	12,454,916
Total financial liabilities		384,041,472	720,288,289	21,621,466	19,543,061	20,449,023	144,225,383	514,449,357
Gap		78,286,866	336,562,325	54,810,193	8,724,537	48,548,335	51,498,998	172,980,261

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Contractual maturities of financial assets and liabilities

Company	31 December 2020	Note	Carrying amount	Gross nominal	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years
Cash and cash equivalents	5	54,328,877	54,328,877	47,590,466	2,215,915	4,522,495	-	-	-
Trade receivables	6	97,211	97,211	97,211	-	-	-	-	-
Investment securities - FVTPL	7.1	322,052,797	745,430,762	5,913,453	8,094,341	110,633,685	127,310,384	493,478,900	
Investment securities - Available for sale	7.2	55,584,203	673,365,565	1,060,246	802,423	566,333,002	22,917,856	82,252,037	
Reinsurance assets (Excl. prepaid reinsurance)	8	54,755,734	35,844,688	21,381,607	14,463,081	-	-	-	-
Other receivables - financial assets	10	1,331,307	1,331,307	1,331,307	-	-	-	-	-
Loans and advances	11	577,144	95,809	91,632	91,632	4,177	-	-	-
Statutory deposit	17	500,000	500,000	-	-	-	-	-	500,000
Total financial assets		489,227,273	1,510,994,219	77,374,290	25,667,392	681,493,359	150,228,240	576,230,937	
Trade payables	18	8,681,794	8,681,794	8,681,794	-	-	-	-	-
Other liabilities - financial liabilities	20	3,143,683	2,996,236	1,815,669	1,180,567	-	-	-	-
Insurance contract liabilities (excl. IBNR and unearned premium)	21	383,514,501	633,188,347	7,608,822	7,630,054	15,259,805	121,126,029	481,563,638	
Investment contract liabilities	22	32,067,632	29,819,101	1,854,392	1,040,331	3,363,950	12,728,818	10,831,610	
Total financial liabilities		427,407,610	674,685,478	19,960,677	9,850,952	18,623,755	133,854,847	492,395,248	
Gap		61,819,663	836,308,741	57,413,613	15,816,440	662,869,604	16,373,393	83,835,689	

It is not expected that cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(g) Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

- The Group's enterprise risk management policy sets out the assessment and determination of what constitutes market risk. Compliance with the policy is monitored and exposures and breaches are reported to the company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholder's liabilities and that assets are held to deliver income and gains for policyholders which are in line with expectations of the policyholders.
- The Group stipulates diversification benchmarks by type of instrument and geographical area, as the Group is exposed to guaranteed bonuses, cash and annuity options when interest rates falls.

(h) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's principal transactions are carried out in Naira and its exposure to foreign exchange risk arise primarily with respect to US dollar and CFA.

The Group's financial assets are primarily denominated in the same currencies as the related insurance and investment contract liabilities. The main foreign exchange risk arises from recognised assets and liabilities denominated in currencies other than those in which insurance and investment contract liabilities are expected to be settled.

The table below summarises the Group's financial assets and liabilities by major currencies. Note that irrespective of the currency in which the assets are held, the amounts disclosed against individuals currencies are the Naira equivalent of the respective currencies. The exchange rates applied for each of the listed currencies have been obtained from reliable sources depicting reliable market transactions on 31 Decembers 2021.

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For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group 31 December 2021

	Notes	Naira (N)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	CFA Franc CFA	Others	Total
Assets								
Cash and cash equivalents	5	10,930,303	29,165,026	40,977	547,359	2,285,957	-	42,969,621
Trade receivables	6	353,132	-	-	-	74,901	-	428,033
Investment securities - FVTPL	7.1	251,288,040	7,019,145	-	-	-	-	258,307,185
Investment securities - Available for sale	7.2	52,718,721	24,840,210	-	-	95,875	-	77,654,805
Investment securities - Held to maturity	7.3	3,867,979	-	-	-	-	-	3,867,979
Reinsurance assets (Excl. prepaid reinsurance)	8	7,526,931	70,924,021	-	-	33,144	-	78,484,096
Other receivables - financial assets	10	1,438,170	-	-	-	-	-	1,438,170
Loans and advances	11	681,541	-	-	-	-	-	681,541
Statutory deposits	17	500,000	-	-	-	-	-	500,000
Total financial assets		329,304,817	131,948,402	40,977	547,359	2,489,877	-	464,331,430
Liabilities								
Trade payables	18	18,569,149	-	-	-	31,504	-	18,600,653
Other liabilities - financial liabilities	20	2,841,581	-	-	-	193,634	-	3,035,214
Insurance contract liabilities (excl. IBNR and unearned premium))	21	249,663,628	78,679,100	-	-	531,619	-	328,874,347
Investment contract liabilities	22	34,288,014	-	-	-	1,629,961	-	35,917,975
Total financial liabilities		305,362,372	78,679,100	-	-	2,386,717	-	386,428,189
Net FCY exposure		23,942,445	53,269,302	40,977	547,359	103,160	-	77,903,241

Group 31 December 2020

	Notes	Naira (N)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	CFA Franc CFA	Others	Total
Assets								
Cash and cash equivalents	5	36,208,967	17,721,424	43,700	354,786	3,871,676	-	58,200,553
Trade receivables	6	97,211	-	-	-	41,152	-	138,363
Investment securities - FVTPL	7.1	316,453,468	5,599,329	-	-	-	-	322,052,797
Investment securities - Available for sale	7.2	29,704,387	25,879,816	-	-	93,371	-	55,677,574
Investment securities - Held to maturity	7.3	-	-	-	-	-	-	-
Reinsurance assets (Excl. prepaid reinsurance)	8	4,723,504	50,032,230	-	-	8,585	-	54,764,319
Other receivables - financial assets	10	1,225,121	-	-	-	-	-	1,225,121
Loans and advances	11	577,144	-	-	-	-	-	577,144
Statutory deposits	17	500,000	-	-	-	-	-	500,000
Total financial assets		389,489,802	99,232,799	43,700	354,786	4,014,784	-	493,135,871
Liabilities								
Trade payables	18	8,681,794	-	-	-	8,296	-	8,690,090
Other liabilities - financial liabilities	20	3,143,683	-	-	-	-	-	3,143,683
Insurance contract liabilities (excl. IBNR and unearned premium))	21	326,209,211	57,305,290	-	-	288,683	-	383,803,184
Investment contract liabilities	22	32,067,632	-	-	-	1,903,036	-	33,970,668
Total financial liabilities		370,102,320	57,305,290	-	-	2,200,015	-	429,607,625
Net FCY exposure		19,387,482	41,927,509	43,700	354,786	1,814,769	-	63,528,246



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For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 31 December 2021	Notes	Naira (N)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	CFA Franc CFA	Others	Total
Cash and cash equivalents	5	10,930,303	29,165,026	40,977	547,359	-	-	40,683,664
Trade receivables	6	353,132	-	-	-	-	-	353,132
Investment securities - FVTPL	7.1	251,288,040	7,019,145	-	-	-	-	258,307,185
Investment securities - Available for sale	7.2	52,718,721	24,840,210	-	-	-	-	77,558,930
Investment securities - Held to maturity	7.3	3,867,979	-	-	-	-	-	3,867,979
Reinsurance assets (Excl. prepaid reinsurance)	8	7,526,931	70,924,021	-	-	-	-	78,450,952
Other receivables - financial assets	10	1,438,170	-	-	-	-	-	1,438,170
Loans and advances	11	681,541	-	-	-	-	-	681,541
Statutory deposits	17	500,000	-	-	-	-	-	500,000
Total financial assets		329,304,817	131,948,402	40,977	547,359	-	-	461,841,553
Trade payables	18	18,569,149	-	-	-	-	-	18,569,149
Other liabilities - financial liabilities	20	2,841,581	-	-	-	-	-	2,841,581
Insurance contract liabilities (excl. IBNR and unearned premium))	21	249,663,628	78,679,100	-	-	-	-	328,342,728
Investment contract liabilities	22	34,288,014	-	-	-	-	-	34,288,014
Total financial liabilities		305,362,372	78,679,100	-	-	-	-	384,041,472
Net FCY exposure		23,942,445	53,269,302	40,977	547,359	-	-	77,800,081

Company 31 December 2020	Notes	Naira (N)	US Dollars (USD)	UK Pound Sterling (GBP)	Euro	CFA Franc CFA	Others	Total
Cash and cash equivalents	5	36,208,967	17,721,424	43,700	354,786	-	-	54,328,877
Trade receivables	6	97,211	-	-	-	-	-	97,211
Investment securities - FVTPL	7.1	316,453,468	5,599,329	-	-	-	-	322,052,797
Investment securities - Available for sale	7.2	29,704,387	25,879,816	-	-	-	-	55,584,203
Investment securities - Held to maturity	7.3	-	-	-	-	-	-	-
Reinsurance assets (Excl. prepaid reinsurance)	8	4,723,504	50,032,230	-	-	-	-	54,755,734
Other receivables - financial assets	10	1,331,307	-	-	-	-	-	1,331,307
Loans and advances	11	577,144	-	-	-	-	-	577,144
Statutory deposits	17	500,000	-	-	-	-	-	500,000
Total financial assets		389,595,988	99,232,798	43,700	354,786	-	-	489,227,273
Trade payables	18	8,681,794	-	-	-	-	-	8,681,794
Other liabilities - financial liabilities	20	3,143,683	-	-	-	-	-	3,143,683
Insurance contract liabilities (excl. IBNR and unearned premium))	21	326,209,211	57,305,290	-	-	-	-	383,514,501
Investment contract liabilities	22	32,067,632	-	-	-	-	-	32,067,632
Total financial liabilities		370,102,320	57,305,290	-	-	-	-	427,407,610
Net FCY exposure		19,493,668	41,927,508	43,700	354,786	-	-	61,819,663

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Foreign currency sensitivity

The tables below shows the sensitivity of the Group's profit before tax to appreciation or depreciation of the naira in relation to other currencies. Based on the past years behaviour, it is reasonable to assume 800 basis points appreciation and 800 basis points depreciation of the Naira holding all other variables constant.

Group	Currency	31 December 2021			31 December 2020	
		Change in variables	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
	US Dollar	+ 800 basis points	4,261,544	2,983,081	4,192,751	2,934,926
	Pound sterling	+ 800 basis points	3,278	2,295	4,370	3,059
	Euro	+ 800 basis points	43,789	30,652	35,479	24,835
	Franc CFA	+ 800 basis points	8,253	5,777	181,477	127,034
	US Dollar	- 800 basis points	(4,261,544)	(2,983,081)	(4,192,751)	(2,934,926)
	Pound sterling	- 800 basis points	(3,278)	(2,295)	(4,370)	(3,059)
	Euro	- 800 basis points	(43,789)	(30,652)	(35,479)	(24,835)
	Franc CFA	- 800 basis points	(8,253)	(5,777)	(181,477)	(127,034)

Company	Currency	31 December 2021			31 December 2020	
		Change in variables	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
	US Dollar	+ 800 basis points	4,261,544	2,983,081	4,192,751	2,934,926
	Pound sterling	+ 800 basis points	3,278	2,295	4,370	3,059
	Euro	+ 800 basis points	43,789	30,652	35,479	24,835
	US Dollar	- 800 basis points	(4,261,544)	(2,983,081)	(4,192,751)	(2,934,926)
	Pound sterling	- 800 basis points	(3,278)	(2,295)	(4,370)	(3,059)
	Euro	- 800 basis points	(43,789)	(30,652)	(35,479)	(24,835)
	Franc CFA	- 800 basis points	(8,253)	(5,777)	(181,477)	(127,034)

(i) Interest rate risks:

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to this risk primarily results from timing differences in the repricing of assets and liabilities as they mature (fixed rate instruments) or contractually repriced (floating rate instruments).

The Group monitors this exposure through periodic reviews of the assets and liability position. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance provisions are modeled and reviewed.

The overall objective of these strategies is to limit the net change in value of assets and liabilities arising from interest rate movements.

While it is more difficult to measure the interest sensitivity of insurance liabilities than that of the related assets, to the extent that such sensitivities are measurable then the interest rate movements will generate asset value changes that substantially offset changes in the value of the liabilities relating to the underlying products. The table below details the interest rate sensitivity analysis of the Group as at 31 December 2021 holding all other variables constant. Based on historical data, 100 basis points change is deemed to be reasonably possible and are used when reporting interest rate risk.



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Appendix

Group Financial Statement

Governance

Business Review

Overview

Group 31 December 2021

		Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Cash and cash equivalents (fixed)	5	8,508,719	34,460,902	-	-	-	-	42,969,621
Investment securities - FVTPL	7.1	2,721,444	9,039,071	14,139,719	226,258,676	-	6,148,275	258,307,185
Investment securities - AFS	7.2	40,942,796	795,248	618,772	5,778,791	-	29,519,198	77,654,805
Investment securities - Held to maturity		-	579,465	2,101,718	1,186,796	-	-	3,867,979
Loans and advances	11	130,537	-	-	45,955	505,049	-	681,541
Statutory deposits	17	-	-	-	-	-	500,000	500,000
Total		52,303,496	44,874,686	16,860,209	233,270,218	505,049	36,167,473	383,981,131
Investment contract liabilities	22	-	2,132,305	1,196,243	3,868,097	14,636,454	12,454,916	35,917,975
Borrowings		-	-	-	-	-	-	-
Total		-	2,132,305	1,196,243	3,868,097	14,636,454	12,454,916	35,917,975
Gap		52,303,496	42,742,381	15,663,966	229,402,121	(14,131,405)	23,712,557	349,693,117
Cumulative gap		52,303,496	95,045,878	110,709,844	340,111,965	325,980,560	349,693,117	
Impact on profit before tax			9,504,588	11,070,984	34,011,196	32,598,056	34,969,312	122,154,136
Taxation at 30%			2,851,376	3,321,295	10,203,359	9,779,417	10,490,794	36,646,241
Impact on equity			6,653,212	7,749,689	23,807,837	22,818,639	24,478,518	85,507,895

Group 31 December 2020

		Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Carrying amount
Cash and cash equivalents (fixed)	5	23,538,304	34,662,249	-	-	-	-	58,200,553
Investment securities - FVTPL	7.1	2,016,306	-	-	1,557,579	26,925,832	291,553,080	322,052,797
Investment securities - AFS	7.2	21,461,269	-	817,223	927,014	2,952,870	29,519,198	55,677,574
Loans and advances	11	26,140	-	-	45,955	505,049	-	577,144
Statutory deposits	17	-	-	-	-	-	500,000	500,000
Total		47,042,019	34,662,249	817,223	2,530,548	30,383,751	321,572,278	437,008,068
Investment contract liabilities	22	-	1,854,392	1,040,331	3,363,950	12,728,818	10,831,610	33,970,668
Borrowings		-	-	-	-	-	-	-
Total		-	1,854,392	1,040,331	3,363,950	12,728,818	10,831,610	33,970,668
Gap		47,042,019	32,807,857	(223,108)	(833,402)	17,654,933	310,740,668	407,188,967
Cumulative gap		47,042,019	79,849,876	79,626,768	78,793,366	96,448,299	407,188,967	
Impact on profit before tax			7,984,988	7,962,677	7,879,337	9,644,830	40,718,897	74,190,729
Taxation at 30%			2,395,496	2,388,803	2,363,801	2,893,449	12,215,669	22,257,219
Impact on equity			5,589,492	5,573,874	5,515,536	6,751,381	28,503,228	51,933,510

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 31 December 2021		Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Total
Cash and cash equivalents (fixed)	5	6,222,762	34,460,902	-	-	-	-	40,683,664
Investment securities - FVTPL	7.1	2,721,444	9,039,071	14,139,719	226,258,676	-	6,148,275	258,307,185
Investment securities - AFS	7.2	41,264,440	795,248	201,253	5,778,791	-	29,519,198	77,558,930
Investment securities - Held to maturity	11	-	579,465	2,101,718	1,186,796	-	-	3,867,979
Loans and advances	11	130,537	-	-	45,955	505,049	-	681,541
Statutory deposits	17	-	-	-	-	-	500,000	500,000
Total		50,339,183	44,874,686	16,442,690	233,270,218	505,049	36,167,473	381,599,299
Investment contract liabilities	22	-	2,132,305	1,196,243	3,868,097	14,636,454	12,454,916	34,288,014
Borrowings		-	-	-	-	-	-	-
Total		-	2,132,305	1,196,243	3,868,097	14,636,454	12,454,916	34,288,014
Gap		50,339,183	42,742,381	15,246,447	229,402,121	(14,131,405)	23,712,557	347,311,285
Cumulative gap		50,339,183	93,081,565	108,328,012	337,730,133	323,598,728	347,311,285	
Impact on profit before tax		-	9,308,156	10,832,801	33,773,013	32,359,873	34,731,129	121,004,972
Taxation at 30%		-	2,792,447	3,249,840	10,131,904	9,707,962	10,419,339	36,301,492
Impact on equity		-	6,515,710	7,582,961	23,641,109	22,651,911	24,311,790	84,703,481

Company 31 December 2020		Non-interest bearing	0-3 months	3-6 months	6-12 months	1-5 years	Over 5 years	Carrying amount
Cash and cash equivalents (fixed)	5	19,666,628	34,662,249	-	-	-	-	54,328,877
Investment securities - FVTPL	7.1	2,016,306	-	-	1,557,579	26,925,832	291,553,080	322,052,797
Investment securities - AFS	7.2	21,785,417	-	399,704	927,014	2,952,870	29,519,198	55,584,203
Investment securities - Held to maturity		-	-	-	-	-	-	-
Loans and advances	11	26,140	-	-	45,955	505,049	-	577,144
Statutory deposits	17	-	-	-	-	-	500,000	500,000
Total		43,494,491	34,662,249	399,704	2,530,548	30,383,751	321,572,278	433,043,021
Investment contract liabilities	22	2,248,531	1,854,391.84	1,040,331	3,363,950	12,728,818	10,831,610	32,067,632
Borrowings		-	-	-	-	-	-	-
Total		2,248,531	1,854,392	1,040,331	3,363,950	12,728,818	10,831,610	32,067,632
Gap		41,245,960	32,807,857	(640,627)	(833,402)	17,654,933	310,740,668	400,975,389
Cumulative gap		41,245,960	74,053,817	73,413,191	72,579,788	90,234,721	400,975,389	
Impact on profit before tax		-	7,405,382	7,341,319	7,257,979	9,023,472	40,097,539	71,125,691
Taxation at 30%		-	2,221,615	2,202,396	2,177,394	2,707,042	12,029,262	21,337,707
Impact on profit after tax		-	5,183,767	5,138,923	5,080,585	6,316,430	28,068,277	49,787,983

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(j) Equity price risk

The Group manages its exposure to equity price risk through adherence to investment in eligible equities as approved by the Board and in line with NAICOM investment guidelines. Management Investment Committee establishes and approves a list of eligible stocks in line with approval as approved by the Board through its Board Investment Committee. The investment decisions are subject to authorization(s) levels.

Management Investment Committee

1. An investment which would result in exposure to the invested company for not greater than 5% of the issue under consideration i.e. Equities, Bonds etc.
2. Investment in any unquoted stock with value less than N500m."

Board Investment Committee

- i. An investment which would result in exposure to the invested company for greater than 5% of the issue under consideration.
- ii. Any investment where the value of total exposure to the invested corporate on completion, as a percentage of total Leadway's Asset Under Management will exceed 2.5% as at the time of the investment.
- iii. An Investment in any unquoted stock with value greater than N500m.
- iv. Investment in a start-up venture with value over N100m.
- v. Investments in a company, which will result in the Leadway having control of management.
- vi. Securities lending, leveraged investments, derivatives or hedging.

We have exposure to equity risk through asset/liability mismatches, including our investments in equity securities held in our investment portfolio. Changes in equity prices create risk that the resulting changes in asset values will differ from the changes in the value of the liabilities. Additionally, changes in equity prices may impact other items including, but not limited to investment income of the Company.

Financial assets	Group 31-Dec-21 +/- 1200 basis points	Group 31-Dec-20 +/- 2000 basis points	Company 31-Dec-21 +/- 1200 basis points	Company 31-Dec-20 +/- 2000 basis points
Listed equities (FVTPL)	326,573	504,077	326,573	504,077
Listed equities(AFS)	3,280,974	3,771,070	3,280,974	3,771,070
Unlisted equities (AFS)	1,237,964	1,658,657	1,237,964	1,658,657
Impact on profit before tax	326,573	504,077	326,573	504,077
Tax charge of 30%	(97,972)	(151,223)	(97,972)	(151,223)
Impact on profit after tax	228,601	352,854	228,601	352,854
Impact on equity	4,747,539	5,782,580	4,747,539	5,782,580

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.4 Fair values of financial assets and liabilities

Accounting classification, measurement basis and fair values

The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values

Group 31 December 2021

	Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised cost	Total carrying amount	Fair Value
Assets								
Cash and cash equivalents	5	-	-	42,969,621	-	-	42,969,621	42,969,621
Trade receivables	6	-	-	914,818	-	-	914,818	914,818
Investment securities - FVTPL	7.1	258,307,185	-	-	-	-	258,307,185	258,307,185
Investment securities - AFS	7.2	-	-	-	77,654,805	-	77,654,805	77,654,805
Investment securities - HTM	7.3	-	3,867,979	-	-	-	3,867,979	3,867,979
Reinsurance assets (Excl. prepaid reinsurance)	8	-	-	78,484,096	-	-	78,484,096	78,484,096
Other receivables	9	-	-	1,438,170	-	-	1,438,170	1,438,170
Loans and advances	11	-	-	681,541	-	-	681,541	681,541
Statutory deposits	17	-	-	500,000	-	-	500,000	500,000
Total		258,307,185	3,867,979	124,988,246	77,654,805	-	464,818,215	464,818,215
Liabilities								
Trade payables	18	-	-	-	-	18,600,653	18,600,653	18,600,653
Other liabilities	20	-	-	-	-	3,035,214	3,035,214	3,035,214
Borrowings	21	-	-	-	-	-	-	-
Insurance contract liabilities (excl. IBNR and unearned premium)	21	237,801,234	-	-	-	91,073,113	328,874,347	328,874,347
Investment contract liabilities	22	-	-	-	-	35,917,975	35,917,975	35,917,975
Total		237,801,234	-	-	-	148,626,955	386,428,189	386,428,189

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group 31 December 2020		Notes	At fair value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised	Total carrying amount	Fair Value
Assets									
Cash and cash equivalents	5	-	-	-	58,200,553	-	-	58,200,553	58,200,553
Trade receivables	6	-	-	-	138,363	-	-	138,363	138,363
Investment securities - FVTPL	7.1	322,052,797	-	-	-	-	-	322,052,797	322,052,797
Investment securities - AFS	7.2	-	-	-	-	55,677,574	-	55,677,574	55,677,574
Reinsurance assets (Excl. prepaid reinsurance)	8	-	-	-	54,764,319	-	-	54,764,319	54,764,319
Other receivables	9	-	-	-	1,225,121	-	-	1,225,121	1,225,121
Loans and advances	11	-	-	-	577,144	-	-	577,144	577,144
Statutory deposits	17	-	-	-	500,000	-	-	500,000	500,000
Total		322,052,797	-	-	115,405,500	55,677,574	-	493,135,871	493,135,871
Liabilities									
Trade payables	18	-	-	-	-	-	8,690,090	8,690,090	8,690,090
Other liabilities	20	-	-	-	-	-	3,143,683	3,143,683	3,143,683
Borrowings	21	-	-	-	-	-	-	-	-
Insurance contract liabilities (excl. IBNR and unearned premium)	21	316,367,258	-	-	-	-	67,435,926	383,803,184	383,803,184
Investment contract liabilities	22	-	-	-	-	-	33,970,668	33,970,668	33,970,668
Total		316,367,258	-	-	-	-	113,240,367	429,607,625	429,607,625

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company
31 December 2021

	Notes	At Fair Value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities at amortised	Total Carrying amount	Fair Value
Assets								
Cash and cash equivalents	5	-	-	40,683,664	-	-	40,683,664	40,683,664
Trade receivables	6	-	-	839,917	-	-	839,917	839,917
Investment securities - FVTPL	7.1	258,307,185	-	-	-	-	258,307,185	258,307,185
Investment securities - AFS	7.2	-	-	-	77,558,930	-	77,558,930	77,558,930
Investment securities - HTM	7	-	3,867,979	-	-	-	3,867,979	-
Reinsurance assets (Excl. prepaid reinsurance)	8	-	-	78,450,952	-	-	78,450,952	78,450,952
Other receivables	9	-	-	1,438,170	-	-	1,438,170	1,438,170
Loans and advances	11	-	-	681,541	-	-	681,541	681,541
Statutory deposits	17	-	-	500,000	-	-	500,000	500,000
Total		258,307,185	3,867,979	122,594,244	77,558,930	-	462,328,339	458,460,359
Liabilities								
Trade payables	18	-	-	-	-	18,569,149	18,569,149	18,569,149
Other liabilities	20	-	-	-	-	2,841,581	2,841,581	2,841,581
Insurance contract liabilities (excl. IBNR and unearned premium))	21	237,801,234	-	-	-	90,541,494	328,342,728	328,342,728
Investment contract liabilities	22	-	-	-	-	34,288,014	34,288,014	34,288,014
Total		237,801,234	-	-	-	146,240,238	384,041,472	384,041,472

Note To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 31 December 2020	Notes	At Fair Value through P/L	Held to Maturity	Loans and receivables	Available for sale	Other financial liabilities amortised cost	Total Carrying amount	Fair Value
Assets								
Cash and cash equivalents	5	-	-	54,328,877	-	-	54,328,877	54,328,877
Trade receivables	6	-	-	97,211	-	-	97,211	97,211
Investment securities - FVTPL	7.1	322,052,797	-	-	-	-	322,052,797	322,052,797
Investment securities - AFS	7.2	-	-	-	55,584,203	-	55,584,203	55,584,203
Reinsurance assets (Excl. prepaid reinsurance)	8	-	-	54,755,734	-	-	54,755,734	54,755,734
Other receivables	9	-	-	1,331,307	-	-	1,331,307	1,331,307
Loans and advances	11	-	-	577,144	-	-	577,144	577,144
Statutory deposits	17	-	-	500,000	-	-	500,000	500,000
Total		322,052,797	-	111,590,273	55,584,203	-	489,227,273	489,227,273
Liabilities								
Trade payables	18	-	-	-	-	8,681,794	8,681,794	8,681,794
Other liabilities	20	-	-	-	-	3,143,683	3,143,683	3,143,683
Insurance contract liabilities (excl. IBNR and unearned premium)	21	316,308,073	-	-	-	67,206,428	383,514,501	383,514,501
Investment contract liabilities	22	-	-	-	-	32,067,632	32,067,632	32,067,632
Total		316,308,073	-	-	-	111,099,537	427,407,610	427,407,610

Note To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

3.4.1 Fair value hierarchy

The Group's accounting policy on fair value measurement is disclosed in note 2.6. The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). These may include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets and liabilities in markets that are not active.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (that is, unobservable inputs). It also includes financial instruments whose fair values could not be reliably determined and so they were measured at cost.

- (a) The following table presents the financial assets and liabilities that are measured at fair value as 31 December 2021. See note 4.1b for non-financial assets that are measured at fair value.

Financial Instruments at Fair Level

Group
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment securities:				
Fair value through profit or loss				
- Equity securities	2,721,444	-	-	2,721,444
- Federal government bond	242,972,942	-	-	242,972,942
- State government	2,175,044	-	-	2,175,044
- Corporate bonds	10,437,755	-	-	10,437,755
Available for sale				
- Listed equity securities	27,341,446	-	-	27,341,446
- Unlisted equity securities	-	-	-	-
- Listed debt securities	39,996,990	-	-	39,996,990
Total	325,645,621	-	10,316,369	335,961,990

Group
31 December 2020

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment securities:				
Fair value through profit or loss				
- Equity securities	2,016,306	-	-	2,016,306
- Federal government bond	311,033,372	-	-	311,033,372
- State government	3,002,483	-	-	3,002,483
- Corporate bonds	6,000,637	-	-	6,000,637
Available for sale				
- Listed equity securities	14,909,433	174,847	-	15,084,280
- Unlisted equity securities	-	-	6,634,627	6,634,627
- Unlisted equity securities	-	-	-	-
- Listed debt securities	33,958,668	-	-	33,958,668
Total	370,920,898	174,847	6,634,627	377,730,371

Note To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Notes	Level 1	Level 2	Level 3	Total
<i>Investment securities:</i>					
<i>Fair value through profit or loss</i>	7.1				
- Equity securities		2,721,444	-	-	2,721,444
- Federal government bond		242,972,942	-	-	242,972,942
- State government		2,175,044	-	-	2,175,044
- Corporate bonds		10,437,755	-	-	10,437,755
		-	-	-	-
<i>Available for sale</i>	7.2				
- Listed equity securities		27,341,446	-	-	27,341,446
- Unlisted equity securities		-	-	10,316,369	10,316,369
- Listed debt securities		39,901,115	-	-	39,901,115
- Unlisted equity securities		-	-	-	-
Total		325,549,746	-	10,316,369	335,866,115

Company 31 December 2020

All amounts are in thousands of Naira unless otherwise stated

Assets	Notes	Level 1	Level 2	Level 3	Total
<i>Investment securities:</i>					
<i>Fair value through profit or loss</i>					
- Equity securities		2,016,306	-	-	2,016,306
- Federal government bond		311,033,372	-	-	311,033,372
- State government		3,002,483	-	-	3,002,483
- Corporate bonds	7.2	6,000,637	-	-	6,000,637
		-	-	-	-
<i>Available for sale</i>					
- Listed equity securities		14,909,433	174,847	-	15,084,280
- Unlisted equity securities		-	-	6,634,627	6,634,627
- Listed debt securities		33,865,297	-	-	33,865,297
- Unlisted equity securities		-	-	-	-
Total		370,827,527	174,847	6,634,627	377,637,000

There were no transfers between levels 1 and 2 during the year

(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- (i) Quoted market prices or dealer quotes for similar instruments;
- (ii) Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's level 2 corporate bonds, state bonds and unlisted equities were valued using quoted market prices for similar instruments at the measurement date.

Note To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(iii) Financial instruments in level 3

The following table presents the changes in Level 3 instruments for the year ended 31 December 2021

Equity securities - Available for sale	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Opening balance	6,634,627	5,681,418	6,634,627	5,681,418
Acquisitions	2,655,352	168,336	2,655,352	168,336
Reclassification from investments at cost less impairment (see note 7.2)	-	-	-	-
Reclassifications from Level 2	-	-	-	-
Changes in fair value recognised in other comprehensive income	546,390	784,873	546,390	784,873
Balance, end of year	9,836,369	6,634,627	9,836,369	6,634,627

Varying valuation techniques in determining the fair value of Level 3 item, investments in AFC, Capital Bancorp, Lekky Budget Limited, Mainstreet Technologies, Oakwood Park Limited, Energy & Allied Limited, JDI Investment Company, Nigeria Liability Insurance Pool are as follows:

Valuation technique	Unobservable inputs	Range of unobservable inputs (probability - weighted average)	Relationship of unobservable inputs to fair value
Market Approach	P/BV multiples	0.85x - 5.88x	The higher the multiples the higher the fair value of the asset.
	EV/EBITDA multiples	5.73x - 15.57x	

EV/EBITDA or P/E valuation multiple - the company determines appropriate comparable public company/ies based on industry, size, developmental stage, revenue generation and strategy. The company then calculates a trading multiple for each comparable company identified. The multiple is calculated by either dividing the quoted price of the comparable company by its net income (P/E).

Financial instruments not measured at fair value

The following table sets out fair values of financial instruments not measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised.



Note To The Financial Statements Cont'd

For The Year Ended 31 December 2021

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Group 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents		42,969,621		42,969,621
Held to maturity investment securities:				
State bonds	-	-	100,415	100,415
Corporate bonds	-		614,857	614,857
Federal government bonds		-	3,152,707	3,152,707
Federal government treasury bills		-	-	-
Available for sale: Unlisted equity at cost	-	-	480,000	480,000
Trade receivables			914,818	914,818
Loans and advances			681,541	681,541
Reinsurance assets (Excl. prepaid reinsurance)			78,484,096	78,484,096
Other receivables			1,438,170	1,438,170
Statutory deposits			500,000	500,000
Total financial assets	-	42,969,621	86,366,604	129,336,225
Liabilities				
Investment contract liabilities			35,917,975	35,917,975
Trade payables			18,600,653	18,600,653
Other liabilities			3,035,214	3,035,214
Borrowings			-	-
Total financial liabilities	-	-	57,553,842	57,553,842

Group 31 December 2020

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents		58,200,553		58,200,553
Held to maturity investment securities:				
State bonds		-	-	-
Corporate bonds			-	-
Federal government bonds		-	-	-
Federal government treasury bills		-	-	-
Available for sale: Unlisted equity at cost		-	480,000	480,000
Trade receivables			138,363	138,363
Loans and advances			577,144	577,144
Reinsurance assets (Excl. prepaid reinsurance)			54,764,319	54,764,319
Other receivables			1,225,121	1,225,121
Statutory deposits			500,000	500,000
				-
Total financial assets		58,200,553	57,684,947	115,885,500
Liabilities				
Investment contract liabilities			33,970,668	33,970,668
Trade payables			8,690,090	8,690,090
Other liabilities			3,143,683	3,143,683
Borrowings			-	-
Total financial liabilities	-	-	45,804,441	45,804,441

Note To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Company 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	40,683,664	-	40,683,664
Held to maturity investment securities:				
State bonds	-	-	100,415	100,415
Corporate bonds	-	-	614,857	614,857
Federal government bonds	-	-	3,152,707	3,152,707
Federal government treasury bills	-	-	-	-
Available for sale: Unlisted equity at cost	-	-	480,000	480,000
Trade receivables	-	-	839,917	839,917
Loans and advances	-	-	681,541	681,541
Reinsurance assets (Excl. prepaid reinsurance)	-	-	78,450,952	78,450,952
Other receivables	-	-	1,438,170	1,438,170
Statutory deposits	-	-	-	-
Total financial assets	-	40,683,664	85,758,558	126,442,222
Liabilities				
Investment contract liabilities	-	-	34,288,014	34,288,014
Trade payables	-	-	18,569,149	18,569,149
Other liabilities	-	-	2,841,581	2,841,581
Total financial liabilities	-	-	55,698,744	55,698,744

Company 31 December 2020

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	-	54,328,877	-	54,328,877
Available for sale: Unlisted equity at cost	-	-	480,000	480,000
Trade receivables	-	-	97,211	97,211
Loans and advances	-	-	577,144	577,144
Reinsurance assets (Excl. prepaid reinsurance)	-	-	54,755,734	54,755,734
Other receivables	-	-	1,331,307	1,331,307
Statutory deposits	-	-	-	-
Total financial assets	-	54,328,877	57,241,395	111,570,272
Liabilities				
Investment contract liabilities	-	-	32,067,632	32,067,632
Trade payables	-	-	8,681,794	8,681,794
Other liabilities	-	-	3,143,683	3,143,683
Total financial liabilities	-	-	43,893,109	43,893,109



Note To The Financial Statements Cont'd

For The Year Ended 31 December 2021

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The fair value for financial assets and liabilities that are not carried at fair value were determined respectively as follows:

- (i) **Cash**
Included in the balances of cash and cash equivalents are cash and balances with banks and short term placement. The carrying amount of cash and cash equivalents is a reasonable approximation of fair value.
- (ii) **Loans and advances**
The estimated fair value of loans and advances represents the discounted amount of estimated future cashflows expected to be received. Expected future cashflows are discounted at the current market rate to determine the fair value.
- (iii) **Trade receivables, Other Receivables, Reinsurance Assets (Excl. prepaid reinsurance), Trade payables and Other liabilities**
The estimated fair value of receivables and payables with no stated maturity which includes no interest payables and receivables is the amount repayable or received on demand. The carrying amounts are reasonable approximation of their fair values which are payable on demand.
- (iv) **Investment contract liabilities**
Investment contracts are those that do not transfer significant insurance risk from the contract holder to the issuer. The carrying amount of investment contract liability is a reasonable approximation of fair value.

3.4 Management of insurance risk

The Group issues contracts that transfer insurance risk or financial risk or both. This section summarizes these risks and the way the Group manages them.

Insurance Risk

Insurance risk arises from accepting risks which turn out to be inappropriate or pricing the risks accepted inappropriately. The principal risk that the Group faces under its insurance contracts is that the actual claims and benefits payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits will could vary from year to year from the level established using statistical techniques.

Our insurance underwriting strategy has been developed in such a way that the types of insurance risks accepted are diversified to achieve a sufficiently large population of risks to reduce the variability of the expected outcome. Insurance risk is increased by the lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

Non-life Insurance Contracts

(a) Frequency and severity of claims: The frequency and severity of claims can be affected by several factors. The most significant are the increasing level of awards for the damages suffered as a result of road accidents. The Group manages these risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling and investigations.

Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Group has the right not to renew certain policies, it can impose excess or deductibles and has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all of claims costs. The reinsurance arrangements include excess and proportional coverage. The effect of such reinsurance arrangements is that the Group should not suffer total net insurance losses in any one year.

The Group has a specialized claims unit that ensures mitigation of the risks surrounding all known claims. This unit investigates and adjusts all claims in conjunction with appointed loss adjusters. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Risk concentration is assessed per class of business. The concentration of insurance risk before and after reinsurance by class in relation to the type of insurance risk accepted is summarized below, with reference to the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from all non-life insurances."

Group Life Reinsurance

The table below shows the Group life risk exposure by industry or sector in 2021. The table shows that the company's exposure is highly skewed towards Administrative, Civil Service/Government agency, Estate Management/Insurance and Banking & Financial

Note To The Financial Statements Cont'd

For The Year Ended 31 December 2021

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(All amounts in Nigerian Naira unless otherwise stated)

Company 2021 Industry/Sector

	Before Reinsurance	Share of Gross	After Reinsurance
Civil Service/Government Agency	947,412,817,436	19%	898,823,915,670
Institutions	35,308,625,880	2%	26,587,869,989
Engineering & Construction	82,144,586,539	3%	66,836,539,087
Estate Management/Insurance, banking & Financial Institutions	486,057,721,560	16%	424,123,305,842
Foods & Beverages/Agro-allied	7,469,099,573	0%	6,118,727,282
Health Service provider	26,233,480,934	1%	21,857,537,205
Hotels and Resorts/catering services	7,296,715,522	0%	5,862,738,828
Manufacturing	90,438,292,446	3%	72,946,082,001
Marine & Aviation	55,713,947,589	2%	46,218,667,792
Administrative	772,347,469,140	22%	638,554,444,430
Oil & Gas	370,305,536,273	15%	209,694,442,858
Radio & Television/ Electronics & Telecommunications	73,809,823,422	5%	26,470,326,305
Religious institutions/NGO/Clubs& Associations	359,358,258,452	8%	347,724,831,902
Security Personnel	5,562,944,373	3%	3,825,076,532
	3,319,459,319,139	100%	2,795,644,505,725

Company 2020

Industry/Sector	Before Reinsurance	Share of Gross	After Reinsurance
Civil Service/Government Agency	477,806,166,249	19%	475,701,885,505
Education, Research & Professional Institutions	56,031,349,855	2%	53,200,393,158
Engineering & Construction	67,563,552,029	3%	60,768,069,865
Estate Management/Insurance, banking & Financial Institutions	418,843,840,225	16%	401,696,516,471
Foods & Beverages/Agro-allied	9,128,133,388	0%	8,354,038,420
Health Service provider	14,173,280,975	1%	12,678,029,193
Hotels and Resorts/catering services	4,874,250,753	0%	4,454,248,485
Manufacturing	84,793,308,678	3%	72,134,063,379
Marine & Aviation	59,171,713,636	2%	53,291,251,471
Administrative	552,511,216,899	22%	497,362,890,382
Oil & Gas	380,877,131,034	15%	351,706,212,142
Radio & Television/ Electronics & Telecommunications	136,963,394,433	5%	134,047,860,083
Religious institutions/NGO/Clubs& Associations	215,281,516,402	8%	208,054,818,093
Security Personnel	73,070,693,290	3%	71,439,010,112
	2,551,089,547,846	100%	2,404,889,286,759

b) Sources of uncertainty in the estimation of future claim payments

Claims on non-life insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract. There are several variables that affect the amount and timing of cash flows from these contracts. These mainly relate to the inherent risks of the business activities carried out by individual contract holders and the risk management procedures they adopted. The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established. The reserves held for these contracts comprises of a provision for IBNR, a provision for reported claims not yet paid and a provision for unearned premiums at the end of the reporting period.

c) Process used to decide on assumptions

Non-life insurance contract liabilities: The discounted inflation adjusted chain ladder method (IABCL) was applied for reserving in respect of non-life risk, with the exception of special risk policies reserved using the Expected Loss Ratio Approach. The discounted inflation adjusted chain ladder method (IABCL) method involves historical paid losses adjusted for inflation using the corresponding inflation index in each of the accident years to the year of valuation and then accumulated to their ultimate values for each accident year to obtain the projected outstanding claims. The projected outstanding claims are then further multiplied by the future inflation index from the year of valuation to the future.

The Expected Loss Ratio Approach was adopted for the special risk sub-category of non-life risks due to the volume of data available being too small to be credible when using a statistical approach. Under this method, the ultimate claims is obtained by assuming loss ratio. Paid claims already emerged is then deducted for from the estimated ultimate claims.



Note To The Financial Statements Cont'd

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The provision for outstanding claims, including IBNR, was determined for each line of business on both gross and net of reinsurance basis. A yearly cohort from year 2007 has been adopted in building the historical claims. "

Year	Inflation index	Accumulated Inflation Index
2007	6.6%	448.9%
2008	15.1%	414.9%
2009	13.9%	347.4%
2010	11.8%	292.8%
2011	10.3%	251.3%
2012	12.0%	218.5%
2013	8.0%	184.4%
2014	8.3%	163.3%
2015	9.6%	143.1%
2016	18.5%	121.8%
2017	15.4%	87.2%
2018	11.3%	62.3%
2019	11.4%	45.8%
2020	15.0%	31.0%
2021	13.9%	13.9%
2022+	13.5%	

See note 21.4 for claims development tables

Key assumptions

The methods assumes that future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident year. Thus the proportionate increase in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.

- An implicit assumption of the chain ladder is that weighted past average inflation will remain unchanged in to the future.
- We assume gross claim amount includes all related claim expenses. If this is not the case, we will hold a separate reserve to cover claim expenses.
- The UPR is calculated on the assumption that risk will occur evenly during the duration of the policy.
- Claims occur uniformly throughout the year for each class of business. This implies that claims occur on average halfway through year.
- Future claims follow a regression pattern from the historical data. Hence payment patterns will be broadly similar in each accident year. The proportionate increase in the known cumulative payments from one development year to the next is used to calculate the expected cumulative payments for the future development periods.
- Policies are written uniformly throughout the year for each class of business.
- Under the Average Cost per claim method used in estimating large losses, we assumed the early years (e.g. accident years 2007, 2008) are fully developed.

Life insurance contract liabilities- Individual risk business comprises whole life assurances, endowment assurances and term assurances of descriptions, including mortgage protection and credit life. For all individual risk business the gross premium method of valuation was adopted. Reserves were calculated via a cashflow projection approach, taking into account future office premium, expenses and benefit payments, including payments on surrender where applicable. Future cashflows were discounted back to the valuation date at the valuation rate of interest. An unexpired premium reserve was included for Group life business, after allowing for acquisition expenses. Where required, an additional unexpired risk reserve was also held for any inadequacies in the unexpired risk reserve for meeting claims in respect of the unexpired period. The claim rates underlying the determination of additional unexpired risk reserve were based on pooled historical scheme claims experience.

An allowance was made for incurred but not reported (IBNR) claims in group life to take care of delay in reporting claims. This was based on Chain Ladder method, where the group business was grouped into two classes - Public and Private Businesses. Historical claims were grouped into accident year cohorts-representing how they were paid after their accident year to form development triangles. For each accident year, paid claims were accumulated to the valuation date and projected into the future to obtain the expected ultimate claim arising for that year. This assumes the trends observed in the historical data will continue. The gross claim reserve is calculated as the difference between the estimated ultimate claims and the accumulated paid claims. For the later years where the cohorts are underdeveloped or has less than expected claims, the Bornheutter Ferguson (BF) method was used to estimate the ultimate claims. The appropriate loss ratio used in estimating the BF ultimate claim was the average of fully developed historical years.

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Key assumptions

Material judgment is required in determining the liabilities and, in particular, in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable reserves are set aside to meet liabilities.

(i) Sensitivity analysis on insurance contract liabilities

The analysis which follows is performed for reasonably possible movements in key assumptions with all other assumptions held constant, and shows the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, the assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees. When options and guarantees exist, they are the main reason for the asymmetry of sensitivities.

Sensitivities were not applied to the Reinsurance for individual life business as its value is immaterial. Also, Mortality sensitivity tests were applied in the opposite direction for the annuity business. These are as shown below:



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	Base	Interest rate +1%	Interest rate -1%	Expenses +10%	Expenses -10%	Expense Inflation +2%	Expense Inflation -2%	Lapses +10%	Lapses -10%	Mortality +5%	Mortality -5%
N'000m											
Investment Linked											
Plans - Fund Balance	22,989,966	22,990	23	0	0	0	0	0	0	0	0
Investment Linked											
Plans - Risk Reserve	296,897	292,672	301,359	325,763	268,615	306,984	287,750	296,893	296,900	298,593	295,210
Traditional Plans											
(excluding Annuity)	6,342,555	6,272,392	6,427,327	6,410,767	6,274,366	6,357,615	6,327,780	6,340,099	6,345,183	6,387,378	6,297,455
Annuity	231,098,686	219,614,782	243,866,192	231,611,481	230,585,891	232,202,608	230,259,207	231,098,686	231,098,686	229,625,419	232,617,340
Group DA	11,298,048	11,298	11	0	0	0	0	0	0	0	0
Group Life - UPR	1,755,727	1,756	2	0	0	0	0	0	0	0	0
Group Life - IBNR	3,480,718	3,481	3	0	0	0	0	0	0	0	0
Other Group Risk	63,097	62,817	63,389	64,471	61,723	63,275	62,937	63,095	63,099	63,857	62,336
Outstanding Claims	4,796,044	4,796	5	0	0	0	0	0	0	0	0
Additional reserves	-	-	-	-	-	-	-	-	-	-	-
Reinsurance	(1,557,984)	(1,558)	(2)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net liability	280,563,753	226,285,425	250,658,310	238,412,483	237,190,594	238,930,482	236,937,674	237,798,774	237,803,867	236,375,248	239,272,341
	-	-19.35%	-10.66%	-15.02%	-15.46%	-14.84%	-15.55%	-15.24%	-15.24%	-15.75%	-14.72%
Summary											
Individual	Base	Interest rate +1%	Interest rate -1%	Expense +10%	Expense -10%	Expense Inflation +1%	Expense Inflation -1%	Lapse +20%	Lapse -20%	Mortality +1%	Mortality -1%
Group	260,728,103	226,202,836	250,594,901	238,348,011	237,128,871	238,867,207	236,874,737	237,735,679	237,740,768	236,311,390	239,210,005
	19,835,650	82,589	63,410	64,472	61,723	63,275	62,937	63,095	63,099	63,857	62,336
Net liability	280,563,753	226,285,425	250,658,311	238,412,483	237,190,594	238,930,482	236,937,674	237,798,774	237,803,867	236,375,248	239,272,341
% change in liability	-	-19.35%	-10.66%	-15.02%	-15.46%	-14.84%	-15.55%	-15.24%	-15.24%	-15.75%	-14.72%

--- The mortality stress has been applied in the opposite direction for annuities. For example the 5% strengthening of the mortality assumption was modelled as 5% lighter mortality for annuities.

--- All stresses were applied independently

--- All stresses were applied independently

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Changes in key assumptions used to value insurance contracts would result in increases or decreases to the insurance contract provisions recorded, with impact on profit/(loss) and/or shareholders' equity.

The net increase or decrease to insurance contract provisions recorded as of 31 December 2015 has been estimated as follows:

The changes in insurance contract liabilities shown are calculated using the specified increase or decrease to the rates, with no change in charges paid by policyholders.

(b) Non-life insurance contract liabilities

Class of business	Base	5% Development Ratio	-5% Development Ratio	1% Inflation Rate	-1% Inflation Rate	1% Discount Rate	-1% Discount Rate
General Accident	1,424,079,185	1,429,604,428	1,417,887,156	1,427,660,373	1,420,511,266	1,413,121,790	1,435,293,243
Engineering	455,623,497	458,807,118	450,763,353	456,418,523	454,828,464	452,554,816	458,753,398
Fire	4,163,565,085	4,188,436,507	4,137,183,782	4,180,740,180	4,146,384,351	4,136,434,237	4,191,228,103
Marine	1,431,640,478	1,447,155,687	1,415,412,707	1,436,802,610	1,426,478,127	1,421,783,171	1,441,719,742
Motor	1,539,022,239	1,564,427,546	1,512,830,004	1,547,476,520	1,530,567,815	1,529,761,342	1,548,461,673
Agric	895,600,564	895,600,564	895,600,564	895,600,564	895,600,564	895,600,564	895,600,564
Bond	267,652,183	266,751,528	263,905,432	267,921,794	267,382,793	266,440,579	268,880,558
Special Risks	88,707,503,621	87,921,154,851	88,115,544,831	88,863,887,643	88,550,977,798	88,028,010,633	89,402,983,895
Total	98,884,686,851	98,171,938,229	98,209,127,830	99,076,508,208	98,692,731,177	98,143,707,132	99,642,921,176
Account outstanding	85,745,450,057	85,745,450,057	85,745,450,057	85,745,450,057	85,745,450,057	85,745,450,057	85,745,450,057
Difference	13,139,236,794	12,426,488,172	12,463,677,773	13,331,058,151	12,947,281,119	12,398,257,075	13,897,471,119
Percentage change		-1%	-1%	0%	0%	-1%	1%

The key assumptions to which the estimation of liabilities is particularly sensitive to are as follows:

Mortality and morbidity rates

Our assumptions are based on standard industry and national tables, according to the type of contract written. They are adjusted when appropriate to reflect historical experience of the portfolio.

An appropriate, but not excessive prudent allowance is made for expected future improvements.

An increase in rates on products other than life annuities will lead to a larger number of expected claims (and claims could occur sooner than anticipated), which will increase the reserve and reduce reported profits for the shareholders. For life annuities, the converse will be true.

Longevity

Our assumptions are based on standard industry and national tables, according to the type of contract written. They are adjusted when appropriate to reflect historical experience of the portfolio.

An appropriate, but not excessive prudent allowance is made for expected future improvements.

An increase in longevity rates will lead to an increase in the expected number of annuity payments to be made, which will increase the reserve and reduce reported profits for the shareholders.

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Investment return

An increase in investment return would lead to a reduction in reserves and an increase in reported profits for the shareholders.

Expenses

Operating expense assumption reflects the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate. An increase in the level of expenses would result in an increase in expected expenditure thereby reducing reported profits for the shareholders.

Lapses and surrender rates

Lapses relate to the termination of risk policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type.

Usually, an increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders to the unrecouped initial expenses.

Life insurance liabilities are determined as the sum of the discounted value of the expected future benefits and future administration expenses directly related to the contract, less the discounted value of the expected future premiums from the contract. Discount rates are based on the risk free rate at different tenors plus an adjustment for risk.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders with the exception of a perfectly matched annuity portfolio where both assets and liabilities will increase by the same magnitude."

The following table outlines the general form of terms and conditions that apply to contracts sold in each category of business, and the nature of the risk incurred by the Group.

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	Name	Features
1	Leadway Immediate Annuity Plan	Designed to help with the cost of retirement by providing a guaranteed income for the rest of the policyholder's life. The annual payments can be made monthly, quarterly or annually. During the stated guarantee period, the annuity payments will continue whether the annuitant is alive or not. If the annuitant dies before the end of the guarantee period the present value of the outstanding payment due within the guarantee period shall be payable in a lump sum to the name beneficiary or to the estate of the annuitant under probate.
2	Annuity certain	Policyholder buys into this product and pays a lump-sum premium. The policyholder in turn receives pre-defined payments throughout the term of the policy. If the policyholder dies within the annuity period, the balance in the annuity is payable to the beneficiary, but if he survives the annuitant (policy holder) gets the annuity.
3	Education Protection Plan	The policy covers payment of fees for the named beneficiary children or ward whilst in school or college in the event of death, total permanent disablement (optional cover) or critical illness (optional cover) of the named parent and/or Policyholder. The policy has a minimum term of one year and has options for Level Benefit and Decereasing benefit. The benefit shall be payable to the named school through the named legal guardian for the unexpired school years as stated in the schedule.
4	Family Benefit Plan	A whole Life Assurance product that pays sum assured on death of policyholder or any of the parents or spouse insured. - Policy terminates on first death. - Additional grocery voucher of N25,000 on death of any member and a family support benefit payable for 6 months in installments of N20,000 on death of policyholder.
5	Family Benefit Plan Plus	A Whole Life Assurance that pays sum assured on death of each of the members covered by the policy. Policy terminates on the death of the policyholder. Additional grocery voucher of N25,000 on death of any member and a family support benefit of N20,000 payable for 6 months on death of policyholder.
6	Group life	Sum assured is payable in the event of death of a member while in the service of the employer and before retirement. Refund of premium: in the event that the life assured is terminated before the normal retirement date from any cause other than death, the Company will pay to the employer a rebate in respect of the relative premium proportionate to the unexpired portion of the then current year of assurance. Premium rates are annually renewable. Leadway has the right to charge extra premiums on medical grounds.
7	Credit Life	Credit Life Protection that pays outstanding loan amount on death. There are disability and job loss riders.
8	Personal Loan Protection Plan	Credit Life Protection that pays outstanding loan amount on Death. It has PTD and Job Loss Covers.
9	Term Assurance	The Term Assurance product pays out a lump sum if death (or any the insured event) occurs during the period of cover.
10	Mortgage Protection Plan	Credit Life Protection that pays outstanding loan amount on death. It also has optional CIC, 12 months Job loss and PTD riders.



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11	REN Credit Life	Credit Life Protection that pays outstanding loan amount on Death. It has PTB , Critical Illness and 6 months Job Loss cover.
12	RSL Credit Life Insurance	Credit Life Protection that pays outstanding loan amount on Death. It has PTB , Critical Illness and 6 months Job Loss cover.
13	Vehicle Loan Protection Plan	Credit Life Protection that pays outstanding loan amount on Death. It has PTB , Critical Illness and 6 months Job Loss cover.
14	Heritage Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTB and 6 months Job Loss cover
15	BORSTAL MFB Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTB and 3 months Job Loss cover.
16	CRUTECH MFB Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTB, Critical Illness and 3 months Job Loss cover.
17	EcoBank Credit Life Protection	Credit Life Protection that pays outstanding loan amount on Death and PTB. It has 6 months job loss cover.
18	MICROCRED MFB Credit Life Protection	Credit Life Protection that pays outstanding loan amount on death, critical illness and Permanent Disability. Outstanding loan less terminal benefit is paid on job loss. Minimum term is 1 year.
19	WEMA Credit Protection	Credit Life Protection that pays outstanding loan amount on Death, critical illness and Permanent Total Disability.
20	Heritage Personal Protection Plan	Credit Life Protection that pays outstanding loan amount on Death.
21	Small and Medium Enterprise	Credit Life Protection that pays outstanding loan amount on Death. It has PTB and 6 months job loss cover.
22	Credit Card Protection	Credit Life Protection that pays outstanding loan amount on Death or named Critical Illness.
23	GTB Credit Life protection	Credit Life Protection that pays outstanding loan amount on death.
24	Personal Credit Loan	Credit Life Protection that pays outstanding loan amount on Death and PTB. It has 6 months job loss cover.
25	Term Loan Protection Plan	Credit Life Protection that pays outstanding loan amount with one month Job loss.
26	Group Credit Life	Credit Life Protection that pays outstanding loan amount on Death or Critical Illness or PTB. It has 6 months Job Loss also.
27	Group Mortgage Protection	Credit Life Protection that pays outstanding loan amount on Death. It has PTB or 12 months Job Loss cover.
28	Private Health Plan	One year renewable term assurance with sum assurance payable on death.PTB benefit is payable if specified by the policyholder.

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29	Education Target Plan	<p>Payment of Sum Assured (Target amount) upon Death or Maturity, whichever comes earlier. Policy terminates after payment of any benefit. Critical Illness, Accidental, Total and Permanent disability are optional riders and attract additional premium.</p>
30	Leadway Target Plan	<p>Payment of Sum Assured (Target amount) upon Death or Maturity, whichever comes earlier. Policy terminates after payment of any benefit.</p> <p>Critical Illness, Accidental, Total and Permanent disability are optional riders and attract additional premium.</p>
31	Leadway Lifestyle Protection Plan	<p>Leadway Lifestyle Protection is a life assurance plan that provides you with a life cover and also optionally protects you against Critical Illness, Permanent Total Disability and Job Loss.</p> <p>The product pays a sum assured on occurrence of the insured risks within the policy term.</p> <p>The minimum policy term is one year. For having consecutive claim-free years, you receive a cash-back payment which is a rate on the premiums paid in the year.</p>
	Name	Features
1	Deferred annuity plan	<p>This product meets protection and savings needs of a policyholder towards funding an annuity pension at retirement.</p> <p>Contributions from policy holder are to be invested in a fund. The accumulated return on the investment as well as the invested amount is due on maturity. Payment of Sum Assured + Savings account balance upon death.</p> <p>Minimum policy term is 3 years.</p> <p>On choosing critical illness and/or PTD riders, payment of sum assured on the riders + Savings account balance in the event of claim.</p>
2	Leadway Investment Plan	<p>Single Premium endowment assurance that pays the higher of Invested single premium plus an additional 20% of invested Single Premium and Accumulated value of single premium on death or maturity. The 20% of Single Premium is subject to a maximum death risk benefit of N5 million. On Maturity, the guaranteed accumulated value of the premium is paid.</p> <p>A guaranteed amount (known at inception) is paid upon maturity of the investment.</p> <p>Policyholders can avail additional Life Cover, Critical illness and PTD cover.</p>
3	Personal Savings Plan	<p>Deposit Based Savings. Death benefit is sum assured + savings account balance upon death.</p>
4	Education Target Plan	<p>Payment of Sum Assured + Savings account balance upon death, Minimum policy term is 3 years, on choosing critical illness and/or PTD riders, payment of sum assured on the riders.</p>



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5	Leadway Savings Plan	<p>Payment of Sum Assured + Savings account balance upon death.</p> <p>At maturity, account deposit balance is paid.</p> <p>On choosing critical illness and/or PTD riders, payment of sum assured on the riders + Savings account balance in the event of claim.</p>
6	Custodian	<p>Deposit based savings, Risk component is the outstanding premium payable. It is thus a decreasing term assurance with start sum assured equal to contracted total premium.</p> <p>Risk benefit is funded by the Nil and partial allocations on the premiums.</p> <p>The structure for Nil and Partial allocation. Year 1- 75% allocation. Year 2 to year 4 - 90% allocation. Year 6 afterwards- 97% allocation. The product is running off.</p>
7	Individual Deposit Admin	<p>The life cover granted during the policy shall be future unpaid premiums up to cessation date provided the policy is in force. This policy has nil allocation between 4 months to 8 months during which the overhead cost of the Company are met. If term assurance is not opted for, 100% premium will be transferred to the policyholder's account for investment purpose.</p> <p>When policyholder dies, the balance in the policyholder's account plus total premium due after death and before maturity is payable to the beneficiary. If the policyholder surrenders or terminates the policy; the balance in the policyholder's account is payable. On maturity, accumulated balance in the policy holder's account is paid or instalment payment of the maturity benefit through the period of child's education.</p>
8	Pearl	<p>Deposit based savings. No risk cover.</p> <p>The product is running off. No new business.</p>
9	Group Deposit Admin	<p>Guaranteed interest (renewable annually) on all deposits received from employer. Contribution to the fund can be on individual basis or on pool basis. If a member leaves the service of the employer before normal retirement date, accrued benefit up to withdrawal date in respect of employee's and employer's contribution shall be paid to the member.</p> <p>Pension option:</p> <p>In the event of the benefit becoming payable; it could be applied in whole or in part to secure a Pension. This pension is payable at equal intervals to the member until he dies, however the payment is guaranteed for a predefined period. If a member leaves the service of the employer before normal retirement date, accrued benefit up to withdrawal date in respect of employee's and employer's contribution shall be paid to the member. If a member dies before the expiration of the guaranteed period a cash sum shall be payable.</p>

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4 Critical accounting estimates and judgement.

In preparing these consolidated financial statements, management makes estimates and judgements that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These disclosures supplement the commentary on enterprise risk management (see note 3). Estimates where management has applied judgements are:

- (a) Ultimate liability arising from claims made under insurance contracts
- (b) Determination of fair value of level 3 financial instruments (unquoted equities)
- (b) Assessment of impairment of goodwill on acquired subsidiaries
- (d) Deferred tax asset assessment.

(a) The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is one of the Group's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims.

The ultimate cost of outstanding claims is estimated by using a standard actuarial claims projection techniques called the Basic Chain Ladder (BCL).

The main assumption underlying these technique is that the Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. As such, this method extrapolates the development of paid and incurred losses, average costs per claim and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years and the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgment is used to assess the extent to which past trends may not apply in future, (for example to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims, inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the likely outcome from the range of possible outcomes, taking account of all the uncertainties involved.

See note 3.4 (i) for sensitivity analysis on insurance contract liabilities.

(b) Determination of fair value of level 3 financial instruments (Unquoted equities)

Investments in unquoted equity securities that are classified as equity securities at fair value available for sale financial instrument in line with the accounting policies as set out in note 2.6 of the statement of significant accounting policies. See note 3.4 for the valuation methodology for the determining the fair value.

(c) Assessment of impairment of goodwill on acquired subsidiary

Leadway Assurance owns 99.9% of the shareholdings of Leadway Vie, goodwill was recognised upon acquisition of the subsidiary. The goodwill amount was tested for impairment using discounted cash flow valuation method at year end. Projected cash flows were discounted to present value using a discount rate of 11.5% (2020: 11.1%), an average annual revenue growth of 8% over a period of 5 years (2020: 7.7% over 4 years). The Group determined the appropriate discount rate at the end of the reporting period. See note 16 for further details.

(d) Deferred tax asset assessment

Deferred tax assessment relates to availability of future taxable profit against which carry-forward tax losses can be used. see note 15 for details."



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5 Cash and cash equivalents

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Cash on hand	3,215	6,538	2,925	6,501
Cash at bank	8,505,504	23,531,766	6,354,523	20,047,461
Tenored deposits	34,460,902	34,662,249	34,326,216	34,274,915
	42,969,621	58,200,553	40,683,664	54,328,877

Tenored deposits are made up of placements with banks and other financial institutions with less than 3 months maturity from the date of acquisition. The carrying amounts disclosed above reasonably approximates fair value at the reporting date.

6 Trade receivables

(a) Trade receivable comprises the following:

	Group	Group	Company	Company
Non-Life Insurance receivables	757,222	36,012	757,222	36,012
Life Insurance receivables	157,596	102,351	82,695	61,199
Gross Trade receivables	914,818	138,363	839,917	97,211
Less Impairment allowance:				
Non-Life business	(430,012)	-	(430,012)	-
Life business	(56,773)	-	(56,773)	-
	(486,785)	-	(486,785)	-
Net Trade receivables	428,033	138,363	353,132	97,211
Insurance receivable is analysed as follows:				
Due from Brokers	428,033	138,363	353,132	97,211
	428,033	138,363	353,132	97,211
Current	428,033	138,363	353,132	97,211

(b) The age analysis of gross insurance receivables as at the end of the year is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Analysis of premium debtors in days				
0 - 30 days	428,033	138,363	353,132	97,211
	428,033	138,363	353,132	97,211

7 Investment securities:

The Group's investment securities are summarised below by measurement category in the table below:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Financial assets at fair value through profit or loss (see note 7.1 below)	258,307,185	322,052,797	258,307,185	322,052,797
Available for sale (see note 7.2 below)	77,654,805	55,677,574	77,558,930	55,584,203
Held to maturity (see note 7.3 below)	3,867,979	-	3,867,979	-
	339,829,969	377,730,371	339,734,094	377,637,000
Current	9,914,255	25,221,812	9,496,736	3,343,024
Non Current	329,915,714	352,508,559	330,237,358	374,293,976
	339,829,969	377,730,371	339,734,094	377,637,000

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The assets comprised in each of the categories above are detailed in the tables below:

7.1 Financial assets at fair value through profit or loss

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Designated at fair value through profit or loss				
Debt securities:				
- Listed	255,585,741	320,036,491	255,585,741	320,036,491
Held for trading				
Equity securities:				
- Listed	2,721,444	2,016,306	2,721,444	2,016,306
Total financial assets at fair value through profit or loss	258,307,185	322,052,797	258,307,185	322,052,797
Current	2,721,444	2,016,306	2,721,444	2,016,306
Non Current	255,585,741	320,036,491	255,585,741	320,036,491
	258,307,185	322,052,797	258,307,185	322,052,797

Movement in financial assets at fair value through profit or loss

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Opening balance	322,052,795	238,425,827	322,052,795	238,425,827
Additions	60,731,695	52,102,514	60,731,695	52,102,514
Disposals	(33,894,935)	(48,222,684)	(33,894,935)	(48,222,684)
Gain/(Loss) on disposals	(6,962,234)	-	(6,962,234)	120,416
Accrued Interest on bonds	29,508,308	28,246,442	29,508,308	28,246,442
Interest received	(29,576,485)	(26,805,068)	(29,576,485)	(26,805,068)
Exchange Gain/(Loss)	733,537	-	733,537	-
Fair value changes	(84,285,499)	78,305,764	(84,285,499)	78,185,348
Closing balance	258,307,186	322,052,795	258,307,185	322,052,795

7.2 Available for sale financial assets

Certain unquoted investment securities listed below for which fair values could not be reliably estimated have been carried at cost less impairment. There are no active markets for these equity instruments, fair value information are therefore not available making it impracticable for the group to fair value these investments. The group does not intend to dispose any of these investments within the next financial year.

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Equity securities at fair value				
- Listed	27,341,446	15,084,279	27,341,446	15,084,279
- Unlisted (see note a(i) below)	10,341,329	6,659,587	10,341,329	6,659,587
Equity securities at cost				
- Listed	31,644	31,644	31,644	31,644
- Unlisted (see note a(ii) below)	480,000	480,000	480,000	480,000
Debt securities:				
- Listed	39,996,990	33,958,668	39,901,115	33,865,297
	78,191,409	56,214,177	78,095,534	56,120,806
Less: allowance for impairment loss (see note b below)				
- Unlisted	(504,960)	(504,960)	(504,960)	(504,960)
- Listed	(31,644)	(31,644)	(31,644)	(31,644)
Total available for sale financial assets	77,654,805	55,677,574	77,558,930	55,584,203
Current	7,192,811	23,205,506	6,775,292	1,326,718
Non Current	70,461,994	32,472,068	70,783,638	54,257,485
	77,654,805	55,677,574	77,558,930	55,584,203

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Analysis of unlisted available for sale financial assets:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
a (i) At fair value				
Africa Finance Corporation	1,687,334	1,191,328	1,687,334	1,191,328
African Reinsurance Company Limited	1,667,693	1,588,613	1,667,693	1,588,613
Capital Bancorp	282,786	143,265	282,786	143,265
Food Concept Limited	8,100	8,000	8,100	8,000
Lekky Budget Limited	31,166	31,592	31,166	31,592
Mainstreet Technologies	565,786	565,786	565,786	565,786
Energy and Allied Insurance pool of Nigeria	487,725	423,216	487,725	423,216
Infra Credit	2,165,255	-	2,165,255	-
Africa Plus Infra Fund II	63,924	-	63,924	-
West African Milk Company Limited	48,112	54,844	48,112	54,844
JDI investment company Ltd	17,179	23,866	17,179	23,866
Nigeria Liability Insurance Pool	125,355	111,698	125,355	111,698
Lagos Building Investment Company Ltd	62,392	104,603	62,392	104,603
FBS Reinsurance Limited	445,585	-	445,585	-
Verod Capital Management Ltd	2,580,924	2,412,775	2,580,924	2,412,775
Sparkle	102,012	-	102,012	-
	10,341,329	6,659,587	10,341,329	6,659,587
a (ii) At cost				
Motor Ways Assets Limited	480,000	480,000	480,000	480,000
	480,000	480,000	480,000	480,000
Less: Specific allowance for impairment (unquoted equity securities)	(504,960)	(504,960)	(504,960)	(504,960)
Total unlisted equities (A+B +C)	10,316,369	6,634,627	10,316,369	6,634,627

b (i) The movement in the allowance for impairment losses on available for sale unquoted equities is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	504,960	504,960	504,960	504,960
Balance, end of year	504,960	504,960	504,960	504,960

(ii) The movement in the allowance for impairment losses on available for sale quoted equities is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	31,644	31,644	31,644	31,644
Balance, end of year	31,644	31,644	31,644	31,644

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(c) Movement in Available for sale financial assets:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Opening balance	55,953,412	62,874,811	55,584,203	62,200,277
Additions	24,469,336	15,418,571	24,469,336	15,418,571
Disposals	(11,701,081)	(29,875,126)	(11,427,749)	(29,569,800)
Gain/(Loss) on Disposal	(3,466)	(333,298)	(3,466)	(333,298)
Fair value changes (see note (l) below)	4,258,662	5,739,387	4,258,662	5,739,387
Exchange gains	4,155,887	1,616,372	4,155,887	1,616,372
Interest received	(2,703,626)	(2,955,973)	(2,703,626)	(2,955,973)
Impairment	-	(31,644)	-	(31,644)
Accrued Interest on bonds & treasury bill	3,225,681	3,500,312	3,225,681	3,500,312
Closing balance	77,654,805	55,953,412	77,558,930	55,584,203

(i) Analysis of Fair value changes on Available for sale financial assets

	Group 31/Dec/21	Group 31/Dec/20	Company 31/Dec/21	Company 31/Dec/20
Opening balance	9,938,278	4,198,891	9,938,278	4,198,891
Increase/(Decrease) in Fair value- Equities	7,163,752	5,929,270	7,163,752	5,929,270
Increase/(Decrease) in Fair value- Debt instruments	(2,905,089)	(189,883)	(2,905,089)	(189,883)
Closing balance	14,196,940	9,938,278	14,196,940	9,938,278

7.3 Held to maturity financial assets

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Debt securities:				
- Listed	3,867,979	-	3,867,979	-
	3,867,979	-	3,867,979	-
Current	-	-	-	-
Non-current	3,867,979	-	3,867,979	-
	3,867,979	-	3,867,979	-

Held to maturity assets are analysed below:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Federal Government Debt Securities				
FGN 16.2884 17-MAR-2027	117,770	-	117,770	-
FGN 16.2884 17-MAR-2027	506,412	-	506,412	-
FGN 16.2884 17-MAR-2027	23,554	-	23,554	-
FGN 16.2884 17-MAR-2027	235,540	-	235,540	-
13.53% FGN MAR 2025	226,338	-	226,338	-
13.53% FGN MAR 2025	147,075	-	147,075	-
FGN 16.2884 17-MAR-2027	233,628	-	233,628	-
FGN 16.2884 17-MAR-2027	956,575	-	956,575	-
FGN 16.2884 17-MAR-2027	107,728	-	107,728	-
13.98% FGN FEB 2028	69,111	-	69,111	-
12.40% FGN MAR 2036	151,602	-	151,602	-
16.2499% NGN FGN BOND 18-04-2037	377,373	-	377,373	-
A	3,152,707	-	3,152,707	-
State Government Bonds				
Lagos State bonds	100,415	-	100,415	-
B	100,415	-	100,415	-
Corporate bonds				
C&I LEASING	303,521	-	303,521	-
MINARETSUKUK CO. LTD	209,660	-	209,660	-
ARDOVA PLC	101,677	-	101,677	-
C	614,857	-	614,857	-
Grand Total	(D)=A+B+C	-	3,867,979	-

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(b) Movement in financial assets designated as Held to Maturity :

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Opening balance	-	-	-	-
Additions	3,884,074	-	3,884,074	-
Accrued interests	172,019	-	172,019	-
Interest received	(188,114)	-	(188,114)	-
	3,867,979	-	3,867,979	-

8 Reinsurance assets

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Prepaid reinsurance	4,794,217	3,635,574	4,794,217	3,635,574
Reinsurance recoverable	77,828,306	54,374,890	77,828,306	54,374,890
Due from reinsurers	655,790	389,429	622,646	380,844
	83,278,314	58,399,894	83,245,169	58,391,307

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
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(a) Prepaid reinsurance - Non Life business	4,376,047	3,358,908	4,376,047	3,358,908
Prepaid reinsurance - Life Business	418,170	276,666	418,170	276,666
	4,794,217	3,635,574	4,794,217	3,635,574

See note (i) below for movement

(b) Reinsurance recoverable Non Life business	76,688,504	53,800,869	76,688,504	53,800,869
Reinsurance recoverable Life business	1,139,802	574,021	1,139,802	574,021
	77,828,306	54,374,890	77,828,306	54,374,890

See note (ii) below for movement

(c) Due from reinsurers Non Life business	622,646	380,844	622,646	380,844
Due from reinsurers Life business	33,144	8,585	-	-
	655,790	389,429	622,646	380,844
	655,790		622,646	380,844

Total Reinsurance Assets	83,278,314	389,429	83,245,169	58,391,307
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Current	82,831,035	57,952,615	83,245,169	58,391,307
Non-current	447,279	447,279	-	-
	83,278,314	58,399,894	83,245,169	58,391,307

(i) The movement in prepaid reinsurance is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	3,635,574	3,635,574	3,635,574	3,635,574
Reinsurance Ceded during the year	21,642,150	17,420,110	21,599,785	17,409,395
Reinsurance Expense during the year (see note 26)	(20,483,508)	(17,420,111)	(20,441,143)	(17,409,396)
Balance, end of year	4,794,217	3,635,574	4,794,217	3,635,574

Non-life

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	3,358,908	3,358,908	3,358,908	3,358,908
Reinsurance Ceded during the year	19,437,298	16,113,189	19,437,298	16,113,189
Reinsurance Expense during the year (see note 26)	(18,420,159)	(16,113,189)	(18,420,159)	(16,113,189)
Balance, end of year	4,376,047	3,358,908	4,376,047	3,358,908

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Non-life

Balance, beginning of the year	53,800,869	35,092,421	53,800,869	35,092,421
Increase during the year (see note 28)	22,887,635	18,708,448	22,887,635	18,708,448
Balance, end of year	76,688,504	53,800,869	76,688,504	53,800,869

Life

Balance, beginning of the year	574,021	260,131	574,021	260,131
Increase during the year (see note 28)	565,781	313,889	565,781	313,889
Balance, end of year	1,139,802	574,021	1,139,802	574,021

9 Deferred acquisition costs

Deferred acquisition costs represent commissions on unearned premium relating to the unexpired period of risks and comprise:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Motor	204,932	137,656	204,932	137,656
Fire	338,582	234,767	338,582	234,767
General accident	112,753	90,870	112,753	90,870
Agric	38,994	26,550	38,994	26,550
Marine	222,441	200,821	222,441	200,821
Bond	11,445	4,987	11,445	4,987
Engineering and Special Risk	373,320	167,025	373,320	167,025
	1,302,467	862,676	1,302,467	862,676

i. The movement in deferred acquisition costs is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	862,676	825,367	862,676	825,367
Cost incurred during the year	6,796,143	4,311,730	6,796,143	4,311,730
Amortisation for the year (see(ii) below)	(6,356,352)	(4,274,421)	(6,356,352)	(4,274,421)
Balance, end of year	1,302,467	862,676	1,302,467	862,676

ii. Analysis of amortization for the year is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Acquisition cost during the year	6,796,143	4,311,730	6,796,143	4,311,730
Increase/(decrease) in deferred acquisition cost during the year	(439,791)	(37,309)	(439,791)	(37,309)
Balance, end of year	6,356,352	4,274,421	6,356,352	4,274,421
Current	1,302,467	862,676	1,302,467	862,676
	1,302,467	862,676	1,302,467	862,676



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

10 Other receivables and prepayments

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Financial assets:				
Accrued interest on statutory deposits	3,283	2,453	3,283	2,453
Receivable from third party	-	-	-	-
Rental income receivable	635,345	558,502	635,345	558,502
Trusteeship fee receivable	-	-	-	-
Dividend receivable	778,933	671,594	778,933	671,594
Receivable from Leadway Hotel & Leadway Pensure (see note "I")	57,505	50,082	57,505	156,268
	1,475,066	1,282,631	1,475,066	1,388,817
Non financial assets:				
Prepayment (see note "ii" below)	354,355	247,150	354,355	247,150
Deposit for shares (see note "a" below)	2,164,276	280,000	2,164,276	280,000
Receivable on Claims settled on behalf of Co - Insurers	102,385	104,827	102,385	104,827
Sundry debtors (See note "iii" below)	2,326,777	1,308,208	593,140	691,039
	4,947,793	1,940,185	3,214,156	1,323,016
Gross other receivables	6,422,859	3,222,816	4,689,222	2,711,833
Less: Impairment allowance on:				
Financial asset				
Accrued interest on statutory deposits	-	-	-	-
Dividend receivable	(36,896)	(57,510)	(36,896)	(57,510)
Receivable from related parties	-	-	-	-
Total Impairment losses on Financial assets	(36,896)	(57,510)	(36,896)	(57,510)
Non-Financial Assets				
Asset receivable from debtors	-	-	-	-
WHT Recoverable	-	-	-	-
Sundry debtors	(168,295)	(96,831)	(168,295)	(96,831)
Total Impairment losses on Non- Financial assets	(168,295)	(96,831)	(168,295)	(96,831)
Total Impairment on Financial and Non Financial Assets	(205,191)	(154,342)	(205,191)	(154,341)
Net other receivables	6,217,668	3,068,475	4,484,031	2,557,492
Current	6,203,229	3,054,036	4,469,592	2,543,053
Non Current	14,439	14,439	14,439	14,439
	6,217,668	3,068,475	4,484,031	2,557,492

I. The amount due from Leadway Hotel & Leadway Pensure represents Technical Service fees.

ii. Prepayment relates to our advance payments on expenses like rent, advertisement and others

iii. Sundry Debtors represents claims due from co-insurers on our investment application.

v. The N37 million impairment on financial assets represents dividend receivable on unquoted equities that have been written off

a Deposit for shares relates to payments made for the acquisition of shares in unquoted companies which had not been allotted as at year end. Detail is shown below.

Company's name	31-Dec-21	31-Dec-20	Nature of business
Leadway Vie (IARD)	2,164,276	-	Underwriting of risk
FBS Reinsurance Limited	-	280,000	Underwriting of risk
Total	2,164,276	280,000	

The movement in deposit for shares is as follows:	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	280,000	302,000	280,000	943,462
Addition/(Write-off)	2,164,276	(22,000)	2,164,276	(22,000)
Transfer to Investment in subsidiary upon allotment of Leadway Vie's equity	-	-	-	(641,462)
Transfer to Equity investments on allotment of shares	(280,000)	-	(280,000)	-
Balance, end of year	2,164,276	280,000	2,164,276	280,000



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

- b. The movement in allowance for impairment of other receivable is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	154,341	236,796	154,341	236,796
Charge/(write back) for the year (see note 35)	71,765	31,644	71,765	31,644
Write off	(20,915)	(114,099)	(20,915)	(114,099)
Balance, end of year	205,191	154,341	205,191	154,341

11 Loans and Advances

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross				
Commercial loans	-	64,085	-	64,085
Staff loans	59,379	45,955	59,379	45,955
Agency loan	92,871	54,440	92,871	54,440
Loan to policy holders	530,429	415,061	530,429	415,061
	682,679	579,541	682,679	579,541
Current	100,395	100,395	100,395	100,395
Non Current	582,284	479,146	582,284	479,146
	682,679	579,541	682,679	579,541

Specific Impairment allowance on:

- Policy holders loans	(112)	-	(112)	-
Collective Impairment - Advance under finance lease	-	-	-	-
Collective Impairment - Loans	(1,026)	(2,397)	(1,026)	(2,397)
	(1,138)	(2,397)	(1,138)	(2,397)

Net Loans and advances	681,541	577,144	681,541	577,144
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- (i) The movement in allowance for impairment of loans is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year (a)	2,397	356,458	2,397	356,458
Charge/ (credit) for the year : (see note 35)				
- Commercial loans	(477)	(110,712)	(477)	(110,712)
- Staff Loans	-	(720)	-	(720)
Mortgage loans				
- Agency loans	(894)	(1,303)	(894)	(1,303)
- Policy holders loans	112	(33,100)	112	(33,100)
Write off :	-	-	-	-
Allowance no longer required	-	-	-	-
- Commercial loans	-	(208,226)	-	(208,226)
Derecognition of distributed subsidiaries	-	-	-	-
Subtotal (b)	(1,259)	(354,061)	(1,259)	(354,061)
Balance, end of year (a+b)	1,138	2,397	1,138	2,397

- (ii) Movement in loans and advances is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Group 31-Dec-21	Group 31-Dec-20
Balance beginning of year	577,144	1,402,795	577,144	1,402,795
Additional loans granted	525,884	551,061	525,884	551,061
Loan repayment received	(454,181)	(1,795,687)	(454,181)	(1,795,687)
Accrued interests	60	43,245	60	43,245
Impairment writeback/ (charge)	1,259	145,835	1,259	145,835
Write off	-	208,226	-	208,226
Reclassification to other debtors	31,374	21,669	31,374	21,669
Balance end of year	681,541	577,144	681,541	577,144



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

12 Property and equipment

12.1 Group - 2021

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Right of Asset Use	Total
Cost or valuation									
Balance, beginning of year	815,074	1,747,188	751,139	1,388,142	731,540	1,802,975	1,584,743	267,005	9,087,806
Additions	7,653	21,424	21,285	196,935	52,497	315,390	92,290	108,287	815,761
Revaluation Gain/(Loss)	(13,878)	(45,853)	-	-	-	-	-	-	(59,731)
Disposals	(206,651)	-	-	(39,616)	(44,687)	(96,550)	-	-	(387,503)
Balance, end of year	561,974	1,722,760	772,424	1,545,461	739,351	2,021,815	1,677,033	375,292	9,456,332
Accumulated depreciation									
Balance, beginning of year	-	-	599,162	1,280,478	608,761	1,424,009	-	163,020	4,075,430
Charge for the year	-	54,816	49,046	92,486	10,144	193,704	-	111,753	511,950
Reversal of accumulated depreciation due to revaluation	-	(54,816)	-	-	-	-	-	-	(54,816)
Reversal of accumulated depreciation due to disposal	-	-	(1,916)	(14,987)	(24,165)	47,220	-	-	6,152
Balance, end of year	-	-	646,293	1,357,977	594,740	1,664,933	-	274,773	4,538,715
Net book value end of year	561,974	1,722,760	126,131	187,485	144,611	356,882	1,677,033	100,519	4,917,616
Net book value beginning of year	815,074	1,747,189	151,976	107,664	122,779	378,967	1,584,743	103,985	5,012,378

(i) Fair values of land and buildings

On a determined basis, the Group engages the services of external, independent and qualified valuers to determine the fair value of the group's land and buildings. As at 31 December 2021, the fair values of the land and buildings have been determined by Gboyega Fatimilehin (FRC/2013/NIESV/00000000754) for Diya Fatimilehin & Co., Estate Surveyor and Valuers (FRC/2013/NIESV/000000002773). See note 12.4b for the analysis of the fair valuation method used for land and building.

Consequent to the adjusted revaluation of the Group's land and buildings at 31 December 2021, the accumulated depreciation at that date was eliminated against the gross carrying amount of the properties and the net amount adjusted to the revalued amount.

(ii) (iii) (iv) (v)

The Group had no capital commitments as at the balance sheet date (31 December 2020: Nil).

No leased assets are included in property and equipment (31 December 2020: Nil)

No borrowing cost was capitalised as borrowing liability does not relate to purchase of property and equipment.

The group did not recognise any lease liability for the period as management has determined that there is no economic incentive that will significantly influence or reasonably ascertain renewals of any of its leased rental properties.

There are no restriction to the use of the Company's properties.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

12.2 Company - 2021

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work In Progress	Right of Asset Use	Total
Cost or valuation									
Balance, beginning of year	815,074	1,747,189	745,090	1,319,871	573,115	1,718,564	1,584,744	267,005	8,770,652
Additions	7,658	21,424	20,847	196,953	49,661	270,251	92,290	108,287	767,371
Revaluation Gain/(Loss)	13,878	(5,629)	-	-	-	-	-	-	8,249
Reclassification to investment property	(274,636)	-	-	-	-	-	-	-	(274,636)
Disposals	-	-	-	(360)	-	(18,100)	-	-	(18,460)
Balance, end of year	561,974	1,762,984	765,936	1,516,464	622,776	1,970,715	1,677,033	375,292	9,253,175
Accumulated depreciation									
Balance, beginning of year	-	-	593,113	1,234,649	534,043	1,365,589	-	163,020	3,890,413
Charge for the year	-	54,816	49,046	99,475	18,030	210,322	-	111,753	543,443
Reversal of accumulated depreciation due to revaluation	-	(54,816)	-	-	-	-	-	-	(54,816)
Reversal of accumulated depreciation due to disposal	-	-	-	(236)	-	(18,100)	-	-	(18,336)
Balance, end of year	-	-	642,159	1,333,888	552,073	1,557,811	-	274,773	4,360,703
Net book value end of year	561,974	1,762,984	123,777	182,577	70,704	412,904	1,677,033	100,519	4,892,472
Net book value beginning of year	815,074	1,747,188	151,977	85,222	39,073	352,976	1,584,744	103,985	4,880,238



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

12 Property and equipment 12.3 Group - 2020

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work in progress	Right of Asset Use	Total
Cost or valuation									
Balance, beginning of year	528,923	1,747,281	654,249	1,321,231	682,423	1,720,315	1,247,629	191,040	8,093,091
Additions	274,631	-	96,889	66,911	49,117	100,661	337,114	75,965	1,001,289
Revaluation Surplus/(deficit)	11,520	49,912	-	-	-	-	-	-	61,432
Disposals	-	-	-	-	-	(18,000)	-	-	(18,000)
Reversal of accumulated depreciation due to revaluation	-	(50,005)	-	-	-	-	-	-	(50,005)
Balance, end of year	815,074	1,747,189	751,139	1,388,142	731,540	1,802,975	1,584,743	267,005	9,087,806
Accumulated depreciation									
Balance, beginning of year	-	-	554,235	1,159,088	569,965	1,183,039	-	65,099	3,531,427
Charge for the year	-	50,005	44,927	121,389	38,796	252,174	-	97,921	605,213
Reversal of accumulated depreciation due to revaluation	-	(50,005)	-	-	-	-	-	-	(50,005)
Disposals	-	-	-	-	-	(11,205)	-	-	(11,205)
Balance, end of year	-	-	599,162	1,280,478	608,761	1,424,009	-	163,020	4,075,430
Net book value end of year	815,074	1,747,189	151,976	107,664	122,779	378,967	1,584,743	103,985	5,012,376
Net book value beginning of year	528,923	1,747,281	100,014	162,142	112,458	537,276	1,247,629	125,941	4,561,664

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

12.4 Company - 2020

	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work In Progress	Right of Asset Use	Total
Cost or valuation									
Balance, beginning of year	528,923	1,747,282	648,200	1,272,542	548,694	1,635,904	1,247,629	191,040	7,820,214
Additions	274,631	-	96,889	47,329	24,421	100,661	337,114	75,965	957,011
Revaluation surplus/(deficit)	11,520	49,912	-	-	-	-	-	-	61,432
Disposals	-	-	-	-	-	(18,000)	-	-	(18,000)
Reversal of accumulated depreciation due to revaluation	-	(50,005)	-	-	-	-	-	-	(50,005)
Balance, end of year	815,074	1,747,189	745,090	1,319,871	573,115	1,718,564	1,584,744	267,005	8,770,652
Accumulated depreciation									
Balance, beginning of year	-	-	548,186	1,129,287	520,464	1,145,110	-	65,099	3,408,147
Charge for the year	-	50,005	44,927	105,361	13,578	231,683	-	97,921	543,476
Reversal of accumulated depreciation due to revaluation	-	(50,005)	-	-	-	-	-	-	(50,005)
Disposals	-	-	-	-	-	(11,205)	-	-	(11,205)
Balance, end of year	-	-	593,113	1,234,649	534,043	1,365,589	-	163,020	3,890,413
Net book value end of year	815,074	1,747,188	151,977	85,222	39,073	352,976	1,584,744	103,985	4,880,238
Net book value beginning of year	528,923	1,747,281	100,014	143,254	28,230	490,794	1,247,629	125,941	4,412,066

(b) Non financial instruments measured at fair value

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised

Notes To The Financial Statements Cont'd

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

12.4 Company - 2020

Cost or valuation	Land	Building	Office equipment	Computer equipment	Furniture & fittings	Motor vehicles	Capital Work In Progress	Right of Asset Use	Total
Balance, beginning of year	528,923	1,747,282	648,200	1,272,542	548,694	1,635,904	1,247,629	191,040	7,820,214
Additions	274,631	-	96,889	47,329	24,421	100,661	337,114	75,965	957,011
Revaluation surplus/(deficit)	11,520	49,912	-	-	-	-	-	-	61,432
Disposals	-	-	-	-	-	(18,000)	-	-	(18,000)
Reversal of accumulated depreciation due to revaluation	-	(50,005)	-	-	-	-	-	-	(50,005)
Balance, end of year	815,074	1,747,189	745,090	1,319,871	573,115	1,718,564	1,584,744	267,005	8,770,652
Accumulated depreciation									
Balance, beginning of year	-	-	548,186	1,129,287	520,464	1,145,110	-	65,099	3,408,147
Charge for the year	-	50,005	44,927	105,361	13,578	231,683	-	97,921	543,476
Reversal of accumulated depreciation due to revaluation	-	(50,005)	-	-	-	-	-	-	(50,005)
Disposals	-	-	-	-	-	(11,205)	-	-	(11,205)
Balance, end of year	-	-	593,113	1,234,649	534,043	1,365,589	-	163,020	3,890,413
Net book value end of year	815,074	1,747,188	151,977	85,222	39,073	352,976	1,584,744	103,985	4,880,238
Net book value beginning of year	528,923	1,747,281	100,014	143,254	28,230	490,794	1,247,629	125,941	4,412,066

(b) Non financial instruments measured at fair value

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Group 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	-	561,974	561,974
- Building	-	-	1,762,984	1,762,984
Total	-	-	2,324,958	2,324,958

Group 31 December 2020

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	-	815,074	815,074
- Building	-	-	1,747,189	1,747,189
Total	-	-	2,562,263	2,562,263

Company 31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	-	561,974	561,974
- Building	-	-	1,762,984	1,762,984
Total	-	-	2,324,958	2,324,958

Company 31 December 2020

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Property and equipment				
- Land	-	-	815,074	815,074
- Building	-	-	1,747,188	1,747,188
Total	-	-	2,562,262	2,562,262

Valuation techniques used to derive level 3 fair values

Level 3 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

13 Investment properties

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Office property	16,261,381	14,522,482	14,824,960	14,522,482
Residential property	3,822,679	4,540,273	3,822,679	3,172,121
	20,084,060	19,062,755	18,647,639	17,694,603
Non Current	20,084,060	19,062,755	18,647,639	17,694,603
	20,084,060	19,062,755	18,647,639	17,694,603

(a) The movement in investment properties during the year is shown below:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	19,062,755	18,467,449	17,694,603	17,199,024
Additions during the year	481,290	621,055	413,021	621,055
Fair value gain/(loss) (see note 31)	596,737	180,130	596,737	(125,476)
Disposal	(56,722)	(205,879)	(56,722)	-
As at end of the year	20,084,060	19,062,755	18,647,639	17,694,603

The analysis of investment properties is as follows:

	Title status	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Thomas Wyatt House ** (See note "c" below)	Perfected	1,449,563	1,445,734	1,449,563	1,445,734
Cadastral Property, Abuja	Perfected	2,867,082	2,859,797	2,867,082	2,859,797
Bedwell Road, Ikoyi I	Perfected	2,046,117	1,796,574	2,046,117	1,796,574
George Street Ikoyi Property	Perfected	999,889	882,279	999,889	882,279
Ozumba Mbadiwe Property	Perfected	1,185,783	1,175,268	1,185,783	1,175,268
Abeokuta property - Oke Ilewo	Perfected	142,505	140,008	142,505	140,008
Enugu Landed property	Perfected	-	56,722	-	56,722
Aerodrome Road, Apapa	Perfected	283,785	267,729	283,785	267,729
Warehouse Road Apapa	Perfected	451,209	442,363	451,209	442,363
Onike Road, Sabo Yaba	Perfected	197,992	191,198	197,992	191,198
Alfred Rewane Road (Marble House)	Perfected	7,519,566	7,286,372	7,519,566	7,286,372
Funsho Williams Av. - Old Corporate Office	Perfected	869,980	854,021	869,980	854,021
Plot 802 Cadastral Zone Bo2, Durumi	Perfected	118,868	116,538	118,868	116,538
Sangotedo scheme, Lekki sub-region	Perfected	187,780	180,000	187,780	180,000
Property in Origangan Town, Ibeju Lekki	Perfected	327,520	-	327,520	-
Cocody Besiko - Cote de voire	Perfected	1,436,421	1,368,152	-	-
		20,084,060	19,062,755	18,647,639	17,694,603

(b) The Group's investment properties are held for the purpose of capital appreciation and rental income generation under operating lease arrangements (All leases are cancellable). The Group's investment properties were revalued by Diya Fatimilehin & Co, Estate Surveyors and Valuers (FRC/2013/NIESV/00000002773) using the Comparative approach method of valuation to arrive at the open market value as at 31 December 2021. Fair value gains have been recognized in the income statement in line with the fair value model of IAS 40. Rental income on investment property included in the statement of comprehensive income for the year is N579.20million (2020: N769.84 million); and N560.38 million (2020: N757.44 million) for group and company respectively. The titles of all of the group's properties are fully perfected.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

© The Thomas Wyatt House property is subject of an ongoing litigation. Our Legal experts are of the view that Leadway Assurance Company has a high probability of success based on the facts of the case and that there is no other encumbrance to the full realization of the property. There is no income being realized from the property.

(d)	DESCRIPTION	BAL. B/F	ADDITION	DISPOSAL via RECLASSIFICATION	FAIR VALUE GAIN/(LOSS) ON REVALUATION	CLOSING BALANCE
	THOMAS WYATT HOUSE	1,445,734	750	-	3,079	1,449,563
	ABUJA CADASTRAL OFFICE	2,859,797	550	-	6,735	2,867,082
	SIUN PROPERTY - OGUN STATE	-	-	-	-	-
	BEDWELL ROAD IKOYI	1,796,574	-	-	249,543	2,046,117
	GEORGE STR-AMCON (Undeveloped Landed property)	882,279	-	-	117,610	999,889
	OZUMBA MBADIWE-AMCON (Undeveloped Landed property)	1,175,268	-	-	10,515	1,185,783
	ABEOKUTA PROPERTY (Undeveloped Landed property)	140,008	-	-	2,497	142,505
	ENUGU LANDED PROPERTY (Undeveloped Landed property)	56,722	-	(56,722)	-	-
	Property in Apapa -Aerodrome road	267,729	-	-	16,056	283,785
	Property in Apapa - Warehouse road	442,363	-	-	8,846	451,209
	No. 2, Onike Road (4A, Industrial Avenue), Sabo, Yaba, Lagos.	191,198	-	-	6,794	197,992
	Marble House Ikouji	7,286,372	136,906	-	96,288	7,519,566
	FUNSHO WILLIAMS AVENUE PROPERTY	854,021	179	-	15,780	869,980
	ASO 1-Plot 802, Cadastral Zone B02, Durumi District	116,538	-	-	2,330	118,868
	ASO 2- Sangotedo scheme, Lekki sub - region, Eti o	180,000	-	-	7,780	187,780
	Ibeju Lekki	-	274,636	-	52,884	327,520
	Total	17,694,603	413,021	(56,722)	596,737	18,647,639

i. On Marble house, the N137 million addition represents work done on ceiling, AC installation and other enhancements on the property during the year

ii. Other additions above relates to enhancement of our existing properties during the year

iii. The addition of N275 million represents a reclassification of our property in Ibeju Lekki from PPE to Investment Property



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(e) Non financial instruments measured at fair value

The following table sets out fair values of non financial instruments measured at fair value and analyses them by level in the fair value hierarchy into which each fair value measurement is categorised

Group
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	-	16,261,381	16,261,381
- Residential property	-	-	3,822,679	3,822,679
Total	-	-	20,084,060	20,084,060

Group
31 December 2020

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	-	14,522,482	14,522,482
- Residential property	-	-	4,540,273	4,540,273
Total	-	-	19,062,755	19,062,755

Company
31 December 2021

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	-	14,824,960	14,824,960
- Residential property	-	-	3,822,679	3,822,679
Total	-	-	18,647,639	18,647,639

Company
31 December 2020

All amounts are in thousands of Naira unless otherwise stated

Assets	Level 1	Level 2	Level 3	Total
Investment properties				
- Office property	-	-	14,522,482	14,522,482
- Residential property	-	-	3,172,121	3,172,121
Total	-	-	17,694,603	17,694,603

Valuation techniques used to derive level 3 fair values

Level 3 fair values of land and buildings have been derived using the market valuation approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size and age.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

14 Investment in subsidiary

	Company 31-Dec-21	Company 31-Dec-20
(a) The Company's investment in subsidiary is as stated below:		
Leadway Vie (note v)	5,674,730	5,590,448
	5,674,730	5,590,448

	Company 31-Dec-21	Company 31-Dec-20
(i) Breakdown of Investment in subsidiary is analysed as follows:		
Balance at the beginning of the year	5,590,448	2,153,425
Transfer from deposit for shares (note 10a)	-	641,462
Cash transferred to subsidiary	84,282	2,795,561
	5,674,730	5,590,448

(b) Nature of investments in subsidiary			Proportion of ordinary shares directly held by parent/group (%)	Proportion of ordinary shares held by non-controlling interest (%)
Name of entity	Nature of business	Country of incorporation		
Leadway Vie	Life Insurance	Cote d'Ivoire	99.99%	0.01%

The table below summarises the financial information of all the Parent's subsidiaries before any intra-group elimination.

In thousand of Naira

	Leadway Vie 31 December	
	31-Dec-21	31-Dec-20
Assets		
Cash and cash equivalent	2,285,958	3,872,905
Other receivables and prepayments	1,841,683	666,906
Investment securities	95,875	93,371
Property and equipment	90,635	132,138
Intangible assets	185	2,233
Investment property	1,436,421	1,368,152
Total Assets	5,750,757	6,135,705

Liabilities		
Other liabilities	558,638	422,537
Current tax liability	45,632	27,216
Investment contract liabilities	1,629,961	1,903,037
Insurance contract liabilities	531,619	288,683
Total liabilities	2,765,851	2,641,473

Capital and reserves		
Share capital	5,549,341	5,549,341
Retained earnings	(2,431,720)	(1,965,051)
Translation reserves	(141,542)	(98,885)
Other reserves	8,826	8,826

Total equity	2,984,906	3,494,232
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Total Liabilities and Equity	5,750,757	6,135,705
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	Leadway Vie 31 December	
	31-Dec-21	31-Dec-20
Revenue	363,456	402,509
Loss before income tax	(562,387)	(120,083)
Income tax expense	(2,102)	(2,165)
Profit after tax	(564,489)	(122,248)
Other comprehensive income	-	-
Total comprehensive income	(564,489)	(122,248)

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

15 Deferred taxation

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The movement in deferred tax liabilities account during the year was as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, Beginning of year	(1,919,527)	(1,883,284)	(1,919,527)	(1,883,284)
Charge to income statement	(234,886)	(36,243)	(234,886)	(36,243)
	(2,154,413)	(1,919,527)	(2,154,413)	(1,919,527)
Net Deferred Tax Liabilities (See note "15.1" below)	(2,154,413)	(1,919,527)	(2,154,413)	(1,919,527)
Net deferred tax liability is attributable to the following:				
	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Property and equipment	3,313	(42,541)	3,313	(42,541)
Other Non-Current Assets and liabilities	(110,039)	(141,637)	(110,039)	(141,637)
Provisions	(41,387)	(33,022)	(41,387)	(33,022)
Net deferred tax liabilities - Life Business	(148,113)	(217,200)	(148,113)	(217,200)
Property and equipment	228,997	(501,083)	228,997	(501,083)
Other Non-Current Assets and liabilities	(220,047)	(191,377)	(220,047)	(191,377)
Unrealised exchange difference	(2,061,483)	(1,006,331)	(2,061,483)	(1,006,331)
Unrecouped tax losses	46,232	(3,536)	46,232	(3,536)
Net deferred tax liabilities - General Business	(2,006,300)	(1,702,327)	(2,006,300)	(1,702,327)
Net Deferred Tax Liabilities	(2,154,413)	(1,919,527)	(2,154,413)	(1,919,527)

Notes to the Consolidated and Separate Financial Statements

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira)

The Group did not recognise deferred income tax assets of N230billion (2020: N142billion) in respect of unrecovered losses amounting to N768billion (2020: N474billion) that can be carried forward against future taxable income. 96% of the unrecovered deferred tax and unrecovered losses is from the life business results.

15.1 Movements in temporary differences during the year ended 31 December 2021

	Group			Company		
	Balance at 1 January 2021	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December 2021	Recognised in profit or loss	Recognised in other comprehensive income
Property and equipment	(543,624)	775,935	-	232,311	775,935	-
Other non current assets	(333,014)	2,929	-	(330,085)	2,929	-
Provisions	(33,022)	37,867	-	4,845	37,867	-
Unrealised exchange gain	(1,006,331)	(1,054,557)	-	(2,061,483)	(1,054,557)	-
Unrecovered tax losses	(3,536)	3,536	-	(3,536)	3,536	-
	(1,919,527)	(237,827)	-	(2,154,413)	(237,827)	-

Movements in temporary differences during the year ended 31 December 2020

	Group			Company		
	Balance at 1 January 2020	Recognised in profit or loss	Recognised in other comprehensive income	Balance at 31 December 2020	Recognised in profit or loss	Recognised in other comprehensive income
Property and equipment	(492,552)	(36,486)	(14,587)	(543,624)	(36,485)	(14,587)
Other non current assets	(656,808)	323,794	-	(333,014)	323,794	-
Unrealised exchange gain	(733,924)	(272,407)	-	(1,006,331)	(272,407)	-
	(1,883,284)	(21,657)	(14,587)	(1,919,527)	(21,656)	(14,587)

15.2 Analysis of amount of deferred tax recognised in profit or loss

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Deferred tax from continuing operations	(237,827)	(21,657)	(237,827)	(21,656)



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Appendix

Group Financial Statement

Governance

Business Review

Overview

16 Intangible assets

In thousands of Naira

	Group			Company		
	Goodwill	Software	Work in Progress	Software	Work in Progress	Total
31 December 2021						
Cost						
Balance, beginning of year	1,649,697	1,270,112	-	1,264,013	-	1,264,013
Addition to other intangible assets	-	17,387	-	17,392	-	17,392
Balance, end of year	1,649,697	1,287,499	-	1,281,405	-	1,281,405
Accumulated amortization						
Balance, beginning of year	-	1,190,934	-	1,187,069	-	1,187,069
Amortization	-	55,767	-	53,724	-	53,724
Balance, end of year	-	1,246,702	-	1,240,793	-	1,240,793
Carrying amount						
As at end of year	1,649,697	40,798	-	40,613	-	40,613
As at beginning of year	1,649,697	79,178	-	76,944	-	76,944
31 December 2020						
Cost						
Balance, beginning of year	1,649,697	1,237,156	-	1,231,672	-	1,231,672
Addition to other intangible assets	-	32,956	-	32,341	-	32,341
Reclassification to other assets	-	-	-	-	-	-
Balance, end of year	1,649,697	1,270,112	-	1,264,013	-	1,264,013
Accumulated amortization						
Balance, beginning of year	-	1,070,731	-	1,069,224	-	1,069,224
Amortization	-	120,203	-	117,845	-	117,845
Balance, end of year	-	1,190,934	-	1,187,069	-	1,187,069
Carrying amount						
As at end of year	1,649,697	79,178	-	76,944	-	76,944
As at beginning of year	1,649,697	166,425	-	162,448	-	162,448

Impairment test of goodwill

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Impairment assessment has been performed for the period, and no impairment losses on goodwill was recognized during the period under review as the recoverable amount of Goodwill as at 31 December 2021 was greater than its carrying amount and is thus not impaired.

The recoverable amount was determined using a value-in-use computation.

Goodwill is monitored by the Group on an entity by entity basis.

The key assumption used in computing the value-in-use for goodwill in 2021 are as follows:

	Group 31-Dec-21	Group 31-Dec-20
Long term growth rate (Terminal growth rate)	4.6%	4.0%
Discount rate	11.5%	10.2%

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Cash Flow Forecast

Cash flows were projected based on past experience of operating results. These cashflows are based on the expected revenue growth for the entity over a 5 year period

Discount Rate

Pre-tax discount rate of 11.5% (2020:10.2%) was applied in determining the recoverable amounts for the entity with goodwill (Leadway Vie Ltd). This discount rate was estimated using the risk-free rate using the average yield on Ivorian government long term bond, equity risk premium and appropriate Beta.

Longterm term growth rate

The key assumptions described above may change as economic and market conditions change. The Group estimates that reasonably possible changes in these assumptions are not expected to cause the recoverable amount of the subsidiaries (from which the goodwill arose) to decline below their carrying amount

Sensitivity analysis of key assumptions used

	Group 31-Dec-21		Group 31-Dec-20	
	5% increase	5% decrease	5% increase	5% decrease
Impact of change in discount rate on value-in-use computation	(498)	26,845	(2,752)	26,040
<i>In millions of Nigerian Naira</i>				
	31-Dec-21		31-Dec-20	
Recoverable amount	7,800		5,471	
Less: Carrying amount				
Goodwill	(1,650)		(1,650)	
Net assets	(2,985)		(3,494)	
Total carrying amount	(4,635)		(5,144)	
Excess of recoverable amount over carrying amount	3,165		327	

17 Statutory deposits

This represents the Company's deposit with the Central Bank of Nigeria as at 31 December 2021, in compliance with the Insurance Act, CAP 117 LFN 2004. This amount is not available for the day-to-day use in the working capital of the Company and is therefore excluded from cash and cash equivalents. Analysis of statutory deposits is as shown below:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Non-life Business	300,000	300,000	300,000	300,000
Life Business	200,000	200,000	200,000	200,000
	500,000	500,000	500,000	500,000
Non Current	500,000	500,000	500,000	500,000
	500,000	500,000	500,000	500,000

Income on statutory deposit is recognized in investment income

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

18 Trade payables

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Reinsurance payable	4,072,313	3,870,030	4,040,809	3,861,734
Amount Due To Insurance Intermediaries	2,017,353	506,592	2,017,353	506,592
Claims Deposit (see note 'b' below)	142,630	57,321	142,630	57,321
Agent Commission Payable (paid in January 2022)	-	4,612	-	4,612
Premium deposits (see note 'a' below)	12,368,357	4,251,535	12,368,357	4,251,535
	18,600,653	8,690,090	18,569,149	8,681,794
Current	18,600,653	8,690,090	18,569,149	8,681,794
	18,600,653	8,690,090	18,569,149	8,681,794

a. The movement in premium deposit is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	4,251,535	4,251,535	4,251,535	4,251,535
Addition during the year	10,581,772	3,206,647	10,581,772	3,206,647
Transfer to premium income (see note 'd' below)	(1,882,175)	(3,206,647)	(1,882,175)	(3,206,647)
Transfer to other income (see note 'e' below)	(582,774)	-	(582,774)	-
Balance, end of year	12,368,357	4,251,535	12,368,357	4,206,647

Premium deposit represents premium received in advance but which the policy risk period is yet to commence as at reporting date.

- b. Claims deposit relates to claim amounts received from other insurance companies as their proportion on claims due to insured."
- c. Matured and surrendered policy payable represents policies that have matured and undergoing settlement processes to the policy holders as at the reporting date majority of whom has been settled in the subsequent year.
- d. Transfers to premium income from premium deposit relates to amounts received on or before reporting date for policies commencing at the start of the following year.
- e. Transfers to other income represents long term inflows on general business (one year policies) that cannot be allocated to a specific policy.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

19 Current income tax liabilities

The movement on current income tax liabilities during the year was as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	815,776	884,553	788,560	859,502
Charge for the year (see note (a) below)	309,546	189,658	307,444	187,493
Payments during the year	(123,040)	(258,435)	(139,353)	(258,435)
Balance, end of year	1,002,282	815,776	956,651	788,560

(a) Analysis of charge for the year is as follows:

- Current year's income tax provision

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
- Current year's income tax provision	309,546	189,658	307,444	187,493
	309,546	189,658	307,444	187,493

20 Other liabilities

Financial liabilities:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Sundry creditors	190,461	517,673	190,461	517,673
Accrued audit fee	58,000	52,000	58,000	52,000
Accrued consultancy fee	913,911	892,332	720,277	892,332
Staff profit sharing payable	673,665	630,267	673,665	630,267
Insurance supervisory fee payable	593,663	505,139	593,663	505,139
NCDF Levy	605,514	546,271	605,514	546,271
	3,035,214	3,143,683	2,841,581	3,143,683

Non-financial liabilities:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Deferred rental income	819,691	-	759,691	-
Unearned income(see note "b" below)	632,988	382,347	632,988	382,347
Withholding tax payable	681,696	859,770	681,696	859,770
Premium & other suspense (see note 'a' below)	1,067,155	520,658	1,067,155	520,658
Agency provident fund	66,416	21,253	66,416	21,253
PAYE deductions	27,342	17,668	27,342	17,668
NHF, Staff Cooperative and other statutory deductions	9,256	3,046	9,256	3,046
Due to Vendors and other service providers	240,481	-	240,481	-
Office rent payable	34,890	115,275	34,890	115,275
VAT payable	135,084	139,018	135,084	139,018
Other creditors	332,422	502,307	58,925	195,470
	4,047,422	2,561,341	3,713,924	2,254,505

Total other liabilities

	7,082,636	5,705,024	6,555,505	5,398,188
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Current	6,766,311	5,388,699	6,239,179	5,081,862
Non Current	316,325	316,325	316,325	316,325

	7,082,636	5,705,024	6,555,505	5,398,188
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- a. Premium suspense represents premium paid into the Company's bank account by customers which are yet to be matched with specific policies as at the reporting date due to unavailability of relevant policy information. This is usually reconciled and matched with appropriate policies on a regular basis
- b. Other creditor represent cheques due to customers that has not been collected
- c. Unearned income relates to commission received on premium ceded to reinsurer which has not been earned due to time apportionment



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Appendix

Group Financial Statement 21

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Overview

Insurance contract liabilities

Gross

Claims reported and loss adjustment payable (see note 21.1 below)
Claims incurred but not reported - IBNR (see note 21.1 below)
"Unearned premium (see note 21.2 below)"
Life fund (see note 21.3 below)

Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
91,073,113	67,435,926	90,541,494	67,206,428
16,619,879	13,416,625	16,619,879	13,416,625
12,100,174	9,517,379	12,100,174	9,517,379
237,801,234	316,367,258	237,801,234	316,308,073
357,594,400	406,737,188	357,062,781	406,448,505

Outstanding claims represents the estimated cost of settling all claims arising from incidents occurring as at the reporting date. The liability adequacy test for outstanding claims liability as at 31 December 2021 and the comparative periods were done by O.O Okapise for Ernst & Young Nigeria Limited (FRC/2012/NAS/00000000738).

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

21.1 Analysis of gross benefit and claims expenses

Non-life (see note 21.1d)
Life (see note 21.1d)

Claims incurred but not reported

Non-life
Life

(a) The aging analysis of claims reported and loss adjusted for non-life insurance contracts

Days

0 - 90
91 - 180
181 - 270
271 - 365
366 and above

(b) The aging analysis of claims reported for life insurance contracts

Days

0 - 90
91 - 180
181 - 270
271 - 365
366 and above

Outstanding claims above 90 days are those that are awaiting relevant documentations to facilitate settlement. Sufficient funds has been set aside to meet these obligations

(c) Movement in outstanding claims provision inclusive of IBNR:

Balance, beginning of year

Less movement:

- Claims incurred during the year
- Claims paid during the year (see note 28)

Net movement in the year

Balance, end of year

Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
85,745,450	64,042,126	85,745,450	64,042,126
5,327,663	3,393,800	4,796,044	3,164,302
91,073,113	67,435,926	90,541,494	67,206,428
Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
13,139,237	11,363,244	13,139,237	11,363,244
3,480,641	2,053,381	3,480,641	2,053,381
16,619,879	13,416,625	16,619,879	13,416,625
107,692,992	80,852,551	107,161,373	80,623,053
Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
1,272,024	6,102,872	1,272,024	6,102,872
1,169,357	1,888,042	1,169,357	1,888,042
7,841,815	2,643,452	7,841,815	2,643,452
14,856,484	23,512,182	14,856,484	23,512,182
60,605,770	29,895,577	60,605,770	29,895,577
85,745,450	64,042,126	85,745,450	64,042,126
Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
1,455,115	842,764	1,455,115	842,764
984,734	641,913	732,734	412,414
201,848	202,006	201,848	202,006
327,839	124,669	327,839	124,669
2,358,127	1,582,448	2,078,508	1,582,448
5,327,663	3,393,801	4,796,044	3,164,302

Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
80,852,551	61,843,173	80,623,053	61,843,173
43,697,652	46,175,479	43,552,837	46,137,619
(17,084,922)	(27,545,107)	(17,014,517)	(27,507,246)
26,612,730	18,630,372	26,538,320	18,630,373
107,692,992	80,852,551	107,161,373	80,623,053



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(d) Group and Company analysis of claims reported and IBNR by class:

	Group 31-Dec-21			Company 31-Dec-21		
	Claims reported	IBNR	Total	Claims reported	IBNR	Total
Non-life:						
Motor	1,079,011	460,011	1,539,022	1,079,011	460,011	1,539,022
Fire	3,100,207	1,063,358	4,163,565	3,100,207	1,063,358	4,163,565
General accident	1,134,616	289,463	1,424,079	1,134,616	289,463	1,424,079
Marine	983,712	447,929	1,431,641	983,712	447,929	1,431,641
Agric	297,424	598,177	895,601	297,424	598,177	895,601
Bond	163,751	103,901	267,652	163,751	103,901	267,652
Engineering	307,629	147,995	455,624	307,629	147,995	455,624
Special risk	78,679,100	10,028,403	88,707,503	78,679,100	10,028,403	88,707,503
	85,745,450	13,139,237	98,884,687	85,745,450	13,139,237	98,884,687
Life:						
Group life	4,624,477	3,480,641	8,105,118	4,092,858	3,480,641	7,573,499
Individual life	237,045	-	237,045	237,045	-	237,045
Annuity	466,141	-	466,141	466,141	-	466,141
	5,327,663	3,480,641	8,808,304	4,796,043	3,480,641	8,276,685
Total claims	91,073,113	16,619,879	107,692,992	90,541,494	16,619,879	107,161,373

"Included in "claims reported and loss adjustment payable" for the year is N53.60million (2020:N48.59m) representing insurance claims which are subject of ongoing litigations. The provision charged is recognised in claims and loss adjustment expense". In the Directors' opinion, the outcome of these legal claims will not give rise to any significant loss beyond the amounts provided as at 31 December 2021."

Group and Company	31-Dec-20			31-Dec-20		
	Claims reported	IBNR	Total	Claims reported	IBNR	Total
Non-life:						
Motor	883,056	603,821	1,486,877	883,056	603,821	1,486,877
Fire	2,798,680	1,086,098	3,884,778	2,798,680	1,086,098	3,884,778
General accident	1,003,006	282,925	1,285,931	1,003,006	282,925	1,285,931
Marine	1,061,637	488,047	1,549,684	1,061,637	488,047	1,549,684
Agric	299,089	123,528	422,617	299,089	123,528	422,617
Bond	195,436	41,729	237,165	195,436	41,729	237,165
Engineering	495,932	141,052	636,984	495,932	141,052	636,984
Special risk	57,305,290	8,596,044	65,901,334	57,305,290	8,596,044	65,901,334
	64,042,126	11,363,244	75,405,370	64,042,126	11,363,244	75,405,370
Life:						
Group life	2,928,539	2,053,381	4,981,920	2,699,041	2,053,381	4,752,422
Individual life	123,442	-	123,442	123,442	-	123,442
Annuity	341,819	-	341,819	341,819	-	341,819
	3,393,800	2,053,381	5,447,181	3,164,302	2,053,381	5,217,683
Total claims	67,435,926	13,416,625	80,852,551	67,206,428	13,416,625	80,623,053

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

21.2 Unearned premium

Group and Company analysis of unearned premium by class:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Non-life				
Motor	1,629,358	1,109,873	1,629,358	1,109,873
Fire	1,948,924	1,293,031	1,948,924	1,293,031
General accident	856,322	551,867	856,322	551,867
Marine	344,801	360,883	344,801	360,883
Agric	1,221,929	1,049,884	1,221,929	1,049,884
Bond	63,034	26,360	63,034	26,360
Engineering	589,120	169,775	589,120	169,775
Special risk	3,690,751	3,411,927	3,690,751	3,411,927
	10,344,237	7,973,599	10,344,237	7,973,599
Life				
Group life	1,755,935	1,543,779	1,755,935	1,543,779
	12,100,174	9,517,379	12,100,174	9,517,379

Movement in unearned premium is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of the year	9,517,376	10,313,508	9,517,376	10,313,508
Increase/(Decrease) during the year(see note 25)	2,582,795	(796,132)	2,582,798	(796,132)
Balance, end of year	12,100,174	9,517,376	12,100,174	9,517,376

21.3 Analysis of life fund is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Individual life	6,702,548	5,634,243	6,702,548	5,575,058
Annuity	231,098,686	310,733,015	231,098,686	310,733,015
	237,801,234	316,367,258	237,801,234	316,308,073



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

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(i) The movement on the life insurance liability during the year was as follows:

Group and company - 2021	Group			Company		
	Individual life	Annuity	Total	Individual life	Annuity	Total
Balance, beginning of year	5,634,243	310,733,015	316,367,258	5,575,058	310,733,015	316,308,073
Reclassification of DA	-	-	-	-	-	-
Addition/reduction during the year	1,068,305	(79,634,329)	(78,566,024)	1,127,490	(79,634,329)	(78,506,839)
Balance, end of year	6,702,548	231,098,686	237,801,234	6,702,548	231,098,686	237,801,234

Group and company - 2020	Group			Company		
	Individual life	Annuity	Total	Individual life	Annuity	Total
Balance, beginning of year	4,432,823	220,436,034	224,868,857	4,111,418	220,436,034	224,547,452
Reclassification of DA	(501,265)	-	(501,265)	-	-	-
Addition during the year	1,702,685	90,296,981	91,999,666	1,463,640	90,296,981	91,760,621
Balance, end of year	5,634,243	310,733,015	316,367,258	5,575,058	310,733,015	316,308,073

(ii) The movement in Annuity fund during the year was as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	310,733,015	220,436,034	310,733,015	220,436,034
Premiums received during the year	22,883,463	15,239,336	22,883,463	15,239,336
Payments during the year	(31,370,835)	(30,382,834)	(31,370,835)	(30,382,834)
Annuity death claims	(2,132,601)	(1,846,805)	(2,132,601)	(1,846,805)
Changes in actuarial valuation	(69,014,356)	107,287,284	(69,014,356)	107,287,284
Balance as at 31 December	231,098,686	310,733,015	231,098,686	310,733,015

21.4 Claims development tables

The claims development table provides a measure of the Group's ability to estimate the ultimate value of claims. The top half of each table below illustrates how the Group's estimate of total claims outstanding for each year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position.

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For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

MOTOR Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	201,283	28,568	6,997	3,493	3,640	-	-	-	-	-	12
2008	853,038	421,486	72,016	18,286	5,934	4,180	-	-	704	-	-	-
2009	744,027	497,530	55,340	11,042	1,626	2,709	-	1,497	-	-	-	-
2010	758,364	471,609	65,663	13,725	6,279	635	-	1,124	-	-	-	-
2011	839,901	406,306	39,577	3,506	13,070	3,193	-	9,058	-	-	-	-
2012	894,025	505,792	24,724	13,153	10,034	2,831	-	502	-	-	-	-
2013	907,835	612,597	23,085	38,907	4,518	-	-	-	-	-	-	-
2014	963,872	390,059	85,746	36,049	8	6,429	1,789	-	-	-	-	-
2015	1,190,393	402,538	53,877	6,457	560	-	250	-	-	-	-	-
2016	1,296,782	310,620	2,446	2,000	24	-	-	-	-	-	-	-
2017	1,155,119	317,446	17,930	3,602	2,961	-	-	-	-	-	-	-
2018	1,450,223	317,759	6,241	9,125	-	-	-	-	-	-	-	-
2019	1,566,419	418,324	15,062	-	-	-	-	-	-	-	-	-
2020	1,511,735	519,212	-	-	-	-	-	-	-	-	-	-
2021	1,880,806	-	-	-	-	-	-	-	-	-	-	-

MOTOR Table of inflated adjusted claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	900,449	112,205	24,582	11,126	10,352	-	-	-	-	-	-
2008	3,816,108	1,655,433	252,999	58,242	16,875	11,007	-	1,319	-	-	-	-
2009	2,922,248	1,747,857	176,259	31,400	4,282	6,586	-	2,803	-	-	-	-
2010	2,664,184	1,502,082	186,730	36,139	15,267	1,409	-	1,823	-	-	-	-
2011	2,675,096	1,155,436	104,210	8,524	28,993	5,978	-	14,701	-	-	-	-
2012	2,542,394	1,331,806	60,111	29,177	18,786	4,595	-	657	-	-	-	-
2013	2,390,431	1,489,416	51,210	72,848	7,332	-	-	-	-	-	-	-
2014	2,343,476	865,289	160,545	58,504	12	8,418	2,037	-	-	-	-	-
2015	2,640,711	753,689	87,438	9,416	733	-	250	-	-	-	-	-
2016	2,428,020	504,106	3,567	2,619	27	-	-	-	-	-	-	-
2017	1,874,645	462,962	23,480	4,101	2,961	-	-	-	-	-	-	-
2018	2,114,999	416,106	7,107	9,125	-	-	-	-	-	-	-	-
2019	2,051,233	476,345	15,062	-	-	-	-	-	-	-	-	-
2020	1,721,412	519,212	-	-	-	-	-	-	-	-	-	-
2021	1,880,806	-	-	-	-	-	-	-	-	-	-	-

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(All amounts in thousands of Nigerian Naira unless otherwise stated)

MOTOR Combined results table (Attritional and Large Losses)

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	1,058,715	-	1,058,715	-	3,459,782	31%
2008	5,811,981	135,788	5,947,769	-	3,459,782	172%
2009	4,891,435	178,561	5,069,996	-	3,459,782	147%
2010	4,415,202	139,844	4,555,047	-	4,005,126	114%
2011	3,992,938	79,157	4,072,094	-	4,005,126	102%
2012	3,987,527	40,776	4,028,303	-	3,961,399	102%
2013	4,011,236	415,868	4,427,105	-	3,248,131	136%
2014	3,438,281	4,447,656	7,885,936	-	3,465,694	228%
2015	3,492,238	4,643,337	8,135,575	-	2,954,417	275%
2016	2,938,339	1,370,800	4,310,268	1128	2,819,910	153%
2017	2,368,150	465,319	2,835,543	2,075	2,963,988	96%
2018	2,547,337	615,237	3,219,699	57,125	3,434,077	94%
2019	2,542,640	281,933	2,942,251	117,678	3,856,002	76%
2020	2,240,625	575,135	3,324,872	509,112	4,462,695	75%
2021	1,880,806	220,711	2,935,562	834,044	4,243,827	69%
Total	49,617,450	13,610,122	64,748,735	1,521,163	53,799,738	

ENGINEERING Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	32,204	9,310	270	-	-	722	-	-	-	-	-
2008	7,021	57,034	20,787	378	6,761	206	72	20	-	-	-	-
2009	54,795	64,082	17,683	285	575	10,080	319	1,713	-	-	-	-
2010	37,597	99,614	2,791	3,885	1,188	15	1,817	-	1,745	-	-	-
2011	57,054	79,976	90,511	26,288	3,053	-	-	-	-	-	-	-
2012	43,474	112,329	8,616	1,806	1,575	-	-	386	1,157	-	-	-
2013	55,067	203,102	16,278	2,690	1,158	-	18	925	-	-	-	-
2014	137,021	112,472	72,618	5,793	131	3	-	-	-	-	-	-
2015	96,750	75,925	2,835	17,924	397	-	-	-	-	-	-	-
2016	51,127	60,394	11,300	4,625	-	-	-	-	-	-	-	-
2017	55,758	79,191	19,325	8,794	1,300	-	-	-	-	-	-	-
2018	97,485	83,974	3,793	-	-	-	-	-	-	-	-	-
2019	51,759	178,914	52,776	-	-	-	-	-	-	-	-	-
2020	59,026	112,267	-	-	-	-	-	-	-	-	-	-
2021	115,169	-	-	-	-	-	-	-	-	-	-	-

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ENGINEERING Table of inflated adjusted claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	144,067	36,568	948	-	-	1,901	-	-	-	-	-
2008	31,407	224,006	73,027	1,205	19,228	543	176	44	-	-	-	-
2009	215,212	225,126	56,319	809	1,513	24,508	709	3,207	-	-	-	-
2010	132,079	317,271	7,936	10,229	2,888	34	3,401	-	2,285	-	-	-
2011	181,717	227,432	238,326	63,914	6,772	-	-	-	-	-	-	-
2012	123,631	295,775	20,949	4,006	2,949	-	-	506	1,317	-	-	-
2013	144,997	493,806	36,110	5,036	1,879	-	24	1,053	-	-	-	-
2014	333,142	249,502	135,966	9,402	191	4	-	-	-	-	-	-
2015	214,625	142,157	4,600	26,141	520	-	-	-	-	-	-	-
2016	95,728	98,014	16,480	6,057	-	-	-	-	-	-	-	-
2017	90,489	115,492	25,306	10,014	1,300	-	-	-	-	-	-	-
2018	142,171	109,965	4,319	-	-	-	-	-	-	-	-	-
2019	67,779	203,730	52,776	-	-	-	-	-	-	-	-	-
2020	67,213	112,267	-	-	-	-	-	-	-	-	-	-
2021	115,169	-	-	-	-	-	-	-	-	-	-	-

ENGINEERING Combined results table (Attritional and Large Losses)

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	183,484	-	183,484	-	593,884	31%
2008	349,636	-	349,636	-	593,884	59%
2009	527,403	-	527,403	-	593,884	89%
2010	476,123	37,680	513,802	-	550,249	93%
2011	718,161	11,045	729,205	-	550,249	133%
2012	449,132	-	449,132	-	716,219	63%
2013	682,905	-	682,905	-	687,315	99%
2014	728,207	164,938	893,145	-	980,992	91%
2015	388,044	766	388,810	-	817,303	48%
2016	216,278	42,368	258,646	-	799,904	32%
2017	242,601	41,218	283,991	172	1,236,223	23%
2018	256,455	-	325,468	69,013	1,333,565	24%
2019	324,284	-	348,180	23,896	1,181,265	29%
2020	179,479	168,222	414,751	67,049	622,195	67%
2021	115,169	43,258	456,761	298,334	830,720	55%
Total	5,837,361	509,496	6,805,321	458,464	12,087,853	

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

MARINE Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	19,792	21,180	2,889	2,010	-	-	-	-	-	-	-
2008	183,671	72,873	23,692	3,905	6,569	30	3,865	-	-	-	-	-
2009	102,380	108,364	37,589	4,329	929	58	54	-	-	-	-	-
2010	69,958	71,656	10,320	234	2,848	-	-	-	-	-	-	-
2011	89,427	89,334	9,788	3,004	147	37	-	-	-	-	-	-
2012	143,495	127,241	6,403	450	366	32	-	-	-	-	-	-
2013	143,431	165,414	15,176	-	1,582	-	-	-	-	-	-	-
2014	193,158	107,548	36,603	8,041	5,348	81	53	-	-	-	-	-
2015	188,204	153,222	20,702	12,907	-	39	250	-	-	-	-	-
2016	130,516	126,238	22,464	6,071	150	-	-	-	-	-	-	-
2017	147,465	183,974	17,014	113	-	-	-	-	-	-	-	-
2018	257,819	199,862	26,931	4,876	-	-	-	-	-	-	-	-
2019	339,373	237,672	65,200	-	-	-	-	-	-	-	-	-
2020	308,053	357,005	-	-	-	-	-	-	-	-	-	-
2021	383,984	-	-	-	-	-	-	-	-	-	-	-

MARINE Table of inflated adjusted claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	88,540	83,188	10,149	6,403	-	-	-	-	-	-	-
2008	821,661	286,216	83,230	12,438	18,680	78	9,397	-	-	-	-	-
2009	402,107	380,690	119,722	12,311	2,447	141	120	-	-	-	-	-
2010	245,767	228,224	29,347	617	6,925	-	-	-	-	-	-	-
2011	284,825	254,045	25,773	7,303	327	70	-	-	-	-	-	-
2012	408,065	335,039	15,567	998	685	51	-	-	-	-	-	-
2013	377,670	402,173	33,665	-	2,568	-	-	-	-	-	-	-
2014	469,627	236,580	68,533	13,050	7,800	106	60	-	-	-	-	-
2015	417,502	286,885	33,598	18,824	-	44	250	-	-	-	-	-
2016	244,372	204,872	32,761	7,950	170	-	-	-	-	-	-	-
2017	239,322	268,307	22,280	128	-	-	-	-	-	-	-	-
2018	376,003	261,721	30,667	4,876	-	-	-	-	-	-	-	-
2019	444,411	270,637	65,200	-	-	-	-	-	-	-	-	-
2020	350,780	357,005	-	-	-	-	-	-	-	-	-	-
2021	383,984	-	-	-	-	-	-	-	-	-	-	-

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

MARINE Combined results table (Attritional and Large Losses)

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	188,280	-	188,280	-	862,220	22%
2008	1,231,701	21,131	1,252,832	-	862,220	145%
2009	917,538	51,746	969,283	-	862,220	112%
2010	510,880	-	510,880	-	1,005,603	51%
2011	572,343	11,045	583,387	-	1,026,446	57%
2012	760,405	258,158	1,018,564	-	1,083,007	94%
2013	816,076	205,950	1,022,026	-	1,000,601	102%
2014	797,756	288,324	1,086,080	-	1,262,545	86%
2015	757,103	538,596	1,295,699	-	1,136,917	114%
2016	490,126	48,945	539,070	-	621,818	87%
2017	507,898	118,342	626,671	431	1,247,786	50%
2018	673,266	549,542	1,509,468	286,660	1,511,154	100%
2019	780,248	290,438	1,190,166	119,480	1,931,262	62%
2020	707,785	193,220	1,141,156	240,152	3,206,368	36%
2021	383,984	266,828	1,435,729	784,917	2,932,648	49%
Total	10,095,388	2,842,263	14,369,292	1,431,640	20,552,814	

GENERAL ACCIDENT Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	161,224	58,105	25,010	21,267	5,632	5,118	1,769	-	150	-	-
2008	100,328	142,235	58,285	88,778	4,000	8,545	3,285	1,573	-	-	-	-
2009	62,974	111,413	47,384	33,570	18,952	2,424	3,005	118	-	-	133	-
2010	114,055	80,915	40,296	23,772	20,746	5,813	1,999	284	107	1,957	1,678	-
2011	171,170	142,139	58,716	18,214	8,526	2,777	3	582	403	53	-	-
2012	174,422	165,096	38,016	11,916	14,145	17	-	-	54	-	-	-
2013	79,883	82,419	26,216	9,508	4,581	-	8	-	-	-	-	-
2014	52,707	127,393	46,197	14,664	1,592	38	500	-	-	-	-	-
2015	93,420	92,493	33,912	20,117	5,218	13,543	1,449	-	-	-	-	-
2016	117,173	123,799	22,693	6,013	5,64	1,783	-	-	-	-	-	-
2017	64,491	111,364	31,511	5,037	4,689	-	-	-	-	-	-	-
2018	86,842	66,601	23,493	7,304	-	-	-	-	-	-	-	-
2019	100,444	81,857	46,830	-	-	-	-	-	-	-	-	-
2020	58,730	147,069	-	-	-	-	-	-	-	-	-	-
2021	122,892	-	-	-	-	-	-	-	-	-	-	-

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

GENERAL ACCIDENT Table of inflated adjusted claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	721,245	228,214	87,861	67,736	16,016	13,477	4,300	-	281	-	-
2008	448,824	558,645	204,761	282,760	11,375	22,500	7,988	3,490	-	-	-	-
2009	247,339	391,402	150,919	95,465	49,904	5,894	6,666	222	-	-	174	-
2010	400,684	257,715	114,591	62,594	50,440	12,895	3,744	462	156	2,563	1,911	-
2011	545,179	404,210	154,607	44,284	18,913	5,200	4	849	528	60	-	-
2012	496,014	434,717	92,429	26,433	26,485	27	-	-	-	-	-	-
2013	210,340	200,386	58,156	17,803	7,435	-	11	-	54	-	-	-
2014	128,148	282,602	86,497	23,799	2,322	49	569	-	-	-	-	-
2015	207,239	173,179	55,036	29,339	6,833	15,421	1,449	-	-	-	-	-
2016	219,388	200,914	33,095	7,875	642	1,783	-	-	-	-	-	-
2017	104,662	162,412	41,264	5,735	4,689	-	-	-	-	-	-	-
2018	126,651	87,215	26,752	7,304	-	-	-	-	-	-	-	-
2019	131,532	93,210	46,830	-	-	-	-	-	-	-	-	-
2020	66,876	147,069	-	-	-	-	-	-	-	-	-	-
2021	122,892	-	-	-	-	-	-	-	-	-	-	-

GENERAL ACCIDENT Combined results table (Attritional and Large Losses)

Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	1,139,130	38,701	1,177,831	-	2,322,854	51%
2008	1,540,341	183,032	1,723,373	-	2,322,854	74%
2009	947,985	150,827	1,098,811	-	2,322,854	47%
2010	907,754	341,924	1,249,678	-	1,824,950	68%
2011	1,173,834	117,079	1,290,913	-	2,021,176	64%
2012	1,076,106	112,004	1,188,110	-	1,367,701	87%
2013	494,185	115,972	610,157	-	1,196,502	51%
2014	523,987	90,209	614,197	-	1,143,149	54%
2015	488,495	338,098	826,593	-	1,183,481	70%
2016	463,697	14,773	478,469	-	1,175,191	41%
2017	318,762	89,506	409,399	-	1,131,193	36%
2018	247,922	33,825	463,214	1131	1,504,350	31%
2019	271,572	34,755	508,240	181,468	1,654,787	31%
2020	213,944	47,595	553,300	201,913	2,513,306	22%
2021	122,892	190,244	1,060,942	291,761	2,766,980	38%
Total	9,930,607	1,898,543	13,253,229	1,424,079	26,451,329	

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

AGRICULTURE Combined results table (Attritional and Large Losses)

Accident Year	Gross Earned Premium (N' 000)	"Claims Paid till date (N' 000)"	"Total O/s as at 31 December 2019(N'000)"	"Current Incurred(N'000)"	Current Loss Ratio	Ultimate Loss Ratio	"Ultimate Losses(N'000)"	"O/s Claim Reserves(N'000)"
2007	-	-	-	-	-	0%	0	0
2008	-	-	-	-	-	0%	0	0
2009	-	-	-	-	-	0%	0	0
2010	-	-	-	-	-	0%	0	0
2011	-	-	-	-	-	0%	0	0
2012	-	-	-	-	-	0%	0	0
2013	-	-	-	-	-	0%	0	0
2014	-	-	-	-	-	0%	0	0
2015	-	-	-	-	-	0%	0	0
2016	-	-	-	-	-	0%	0	0
2017	-	-	-	-	-	0%	0	0
2018	-	123,879	-	123,879	-	0%	0	0
2019	617,069	409,726	38,042	447,768	1	73%	447,767,6863	3804160564
2020	1,190,921	713,784	85,781	799,565	1	70%	835292,9838	121508,8659
2021	1,492,967	329,198	173,601	502,799	0	71%	1065247,815	736050,0924
Total	3,300,957	1,576,587	297,424	1,874,011	2		2,348,308	895,601

BOND Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	563	548	215	-	-	-	-	-	-	-	-
2008	75,938	81,831	-	-	125	-	-	-	-	-	-	-
2009	21,339	154,217	5,827	-	-	-	-	-	-	-	-	-
2010	2,687	209,669	1,657	-	-	-	-	-	-	-	-	-
2011	283,845	281,558	665	-	-	-	180	50	-	-	-	-
2012	89,184	408,340	-	-	-	-	79	80	-	-	-	-
2013	307,415	50,813	-	-	-	290	-	-	-	-	-	-
2014	179,905	212,813	315	14,049	-	-	-	-	-	-	-	-
2015	93,525	110,020	738	-	2,000	-	-	-	-	-	-	-
2016	145,001	132,182	31,076	560	26,436	-	-	-	-	-	-	-
2017	26,612	301,056	22,434	-	-	-	-	-	-	-	-	-
2018	60,007	315,954	-	-	-	-	-	-	-	-	-	-
2019	19,476	21,882	-	-	-	-	-	-	-	-	-	-
2020	174,217	105	-	-	-	-	-	-	-	-	-	-
2021	19,346	-	-	-	-	-	-	-	-	-	-	-

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Table of inflated adjusted claims paid excluding large claims (Attritional Table)

BOND	Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	-	2,518	2,150	755	-	-	-	-	-	-	-	-	-
2008	339,710	321,402	-	-	355	-	-	-	-	-	-	-	-
2009	83,810	541,775	18,560	-	-	-	-	-	-	-	-	-	-
2010	9,440	667,799	4,713	-	-	-	-	-	-	-	-	-	-
2011	904,051	800,683	1,751	-	-	-	-	292	73	-	-	-	-
2012	253,618	1,075,205	-	-	-	-	-	114	105	-	-	-	-
2013	809,459	123,541	-	-	-	423	-	-	-	-	-	-	-
2014	437,404	472,095	590	22,800	-	-	-	-	-	-	-	-	-
2015	207,470	205,996	1,197	-	2,619	-	-	-	-	-	-	-	-
2016	271,492	214,519	45,321	733	30,103	-	-	-	-	-	-	-	-
2017	43,189	439,059	29,378	-	-	-	-	-	-	-	-	-	-
2018	87,513	413,744	-	-	-	-	-	-	-	-	-	-	-
2019	25,504	24,917	-	-	-	-	-	-	-	-	-	-	-
2020	198,381	105	-	-	-	-	-	-	-	-	-	-	-
2021	19,346	-	-	-	-	-	-	-	-	-	-	-	-

Combined results table (Attritional and Large Losses)

BOND	Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	5,424	-	-	94,039	88,615	272,411	35%
2008	661,467	-	-	661,467	-	272,411	243%
2009	644,146	-	-	644,146	-	272,411	236%
2010	681,952	-	-	681,952	-	427,458	160%
2011	1,706,850	-	-	1,706,850	-	599,336	285%
2012	1,329,042	596,523	-	1,925,564	-	761,353	253%
2013	933,423	-	-	933,423	-	593,545	157%
2014	932,889	-	-	936,451	3,562	761,845	123%
2015	417,282	-	-	417,289	7	728,863	57%
2016	562,168	613,002	-	1,225,376	50,206	740,170	166%
2017	511,625	491,414	-	1,022,655	19,615	594,131	172%
2018	501,257	-	-	503,398	2,141	696,329	72%
2019	50,421	-	-	50,562	141	883,810	6%
2020	198,486	-	-	235,375	36,889	391,451	60%
2021	19,346	-	-	85,820	66,475	207,035	41%
Total	9,155,778	1,700,939	11,124,368	267,652	8,202,560		

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

SPECIAL RISK Table of claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	4,534	9,535	-	11,877	-	-	-	-	-	-	-	-
2008	19,199	3,025	1,379	-	-	8,865	-	-	280	2,982	1,327	-
2009	3,884	-	2,624	-	22,215	677	6,908	-	662	1,581	-	-
2010	23,568	53,773	196,010	9,282	25,490	-	-	-	401	-	1,963	-
2011	68,684	165,111	65,533	85,041	3,324	-	2,238	900	-	614	-	-
2012	82,728	7,382	277,016	146,549	169,718	669	67,147	-	15,224	-	-	-
2013	4,118	372,917	78,512	1,881	1,624	26,143	292	1,044	-	-	-	-
2014	72,022	294,280	-	4,626	2,569	8,365	1,541	65,305	-	-	-	-
2015	12,651	26,561	6,535	143,008	5,941	9,098	-	-	-	-	-	-
2016	48,595	17,398	422,680	309,896	142,329	2,893	-	-	-	-	-	-
2017	62,899	75,800	333,134	2,811	145,066	-	-	-	-	-	-	-
2018	219,267	352,051	4,679	4,859	-	-	-	-	-	-	-	-
2019	67,272	108,749	5,482	-	-	-	-	-	-	-	-	-
2020	23,458	12,865	-	-	-	-	-	-	-	-	-	-
2021	27,556	-	-	-	-	-	-	-	-	-	-	-

SPECIAL RISK Table of inflated adjusted claims paid excluding large claims (Attritional Table)

Accident Year	1	2	3	4	5	6	7	8	9	10	11	12
2007	23,348	42,653	-	41,723	-	-	-	-	-	-	-	-
2008	85,890	11,880	4,846	-	-	23,342	-	-	525	4,840	1,935	-
2009	15,256	-	8,358	-	58,494	1,647	15,324	-	1,074	2,305	-	-
2010	82,796	171,267	557,405	24,440	61,973	-	-	-	585	-	2,236	-
2011	218,759	469,537	172,555	206,763	7,374	-	3,632	1,312	-	699	-	-
2012	235,258	19,437	673,513	325,097	317,770	1,086	97,927	-	17,336	-	-	-
2013	10,842	906,679	174,167	3,522	2,636	38,127	382	1,189	-	-	-	-
2014	175,109	652,816	-	7,508	3,747	10,954	1,754	65,305	-	-	-	-
2015	28,064	49,732	10,605	208,563	7,780	10,360	-	-	-	-	-	-
2016	90,987	28,236	616,434	405,810	162,070	2,893	-	-	-	-	-	-
2017	102,078	110,547	436,241	3,201	145,066	-	-	-	-	-	-	-
2018	319,778	461,012	5,328	4,859	-	-	-	-	-	-	-	-
2019	88,094	123,832	5,482	-	-	-	-	-	-	-	-	-
2020	26,711	12,865	-	-	-	-	-	-	-	-	-	-
2021	27,556	-	-	-	-	-	-	-	-	-	-	-

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

SPECIAL RISK Combined results table (Attritional and Large Losses)						
Accident Year	Paid to date	Latest Paid Large Loss	Total Ultimate	Gross claims reserve	Gross Earned Premium	Ultimate Loss ratio
2007	107,725	-	107,725	-	7,504,563	1%
2008	133,258	-	133,258	-	11,687,862	1%
2009	102,459	207,736	803,912	493,717	11,515,695	7%
2010	900,702	342,307	1,496,171	253,163	6,616,535	23%
2011	1,080,631	583,844	2,476,932	812,457	6,290,318	39%
2012	1,687,424	2,500,761	6,713,435	2,525,250	12,863,770	52%
2013	1,137,544	-	2,625,237	1,487,693	10,615,790	25%
2014	917,193	-	1,547,590	630,397	11,748,608	13%
2015	315,104	367,277	3,257,931	2,575,550	10,975,832	30%
2016	1,306,430	3,486,963	9,354,792	4,561,399	12,006,726	78%
2017	797,134	27,654,296	31,122,462	2,671,031	14,528,257	214%
2018	790,977	3,316,800	14,292,864	10,185,087	18,364,393	78%
2019	217,408	1,077,564	5,171,127	3,876,155	21,031,263	25%
2020	39,576	1,660,400	41,973,237	40,273,261	16,095,693	261%
2021	27,556	208,481	18,598,380	18,362,343	16,923,148	110%
Total	9,561,121	41,406,429	139,675,053	88,707,504	188,768,453	



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

22 Investment contract liabilities

Movement in investment contract liabilities is as shown below

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Balance, beginning of year	33,970,668	28,409,487	32,067,632	26,796,212
Reclassification from Insurance contract liabilities (note 21.3i)	-	501,265	-	-
Deposits received	11,738,824	12,967,779	11,441,481	12,455,237
Withdrawals	(11,281,008)	(9,871,153)	(10,668,787)	(9,183,776)
Guaranteed interest charged during the year	1,489,491	1,963,290	1,447,688	1,999,959
Balance, end of year	35,917,975	33,970,668	34,288,014	32,067,632
Current	772,694	4,817,593	772,694	4,817,593
Non Current	35,145,281	29,153,075	33,515,320	27,250,039
	35,917,975	33,970,668	34,288,014	32,067,632

23 Capital and reserves

a Share capital

Minimum issued share capital:
Ordinary shares of 50k each:
20,000,000,000 units
(2020: 20,000,000,000 units)

	Group 31-Dec-20	Group 31-Dec-19	Company 31-Dec-20	Company 31-Dec-19
	10,000,000	10,000,000	10,000,000	10,000,000

The issued and fully paid up capital of the company which is a composite insurer is N10bn (2021: N10bn). In line with regulations issued by the National Insurance Commission (NAICOM), issued and paid capital of the company is allocated as follows;

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Ordinary shares of 50k each: Non-life business 10,000,000,000 units (2020: 10,000,000,000)	5,000,000	5,000,000	5,000,000	5,000,000
Life business 10,000,000,000 units (2020: 10,000,000,000)	5,000,000	5,000,000	5,000,000	5,000,000
	10,000,000	10,000,000	10,000,000	10,000,000

b Share premium

Share premium comprises the amount paid over the nominal value of shares. This reserve is not ordinarily available for distribution.

c Retained earnings

The retained earnings is the carried forward recognised income net of expenses plus current profit attributable to shareholders. It is the amount available for dividend distribution to the equity shareholders of the company. See statement of changes in equities for movement in retained earnings.

d Other Reserves

Components of other reserves are as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Contingency reserve (see note (i) below)	17,667,126	15,314,108	17,665,658	15,312,636
Asset revaluation reserves (see note (ii) below)	1,666,408	1,607,272	1,665,813	1,607,273
Fair value reserves (see note (iii) below)	14,196,941	9,938,279	14,196,940	9,938,279
Translation reserve (see note (iv) below)	286,463	315,582	-	-
	33,816,938	27,175,241	33,528,411	26,858,188

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

(i) Contingency reserves

Included in the contingency reserve is the contingency reserve from Leadway assurance company general and life business in line with Insurance act of 2003.

In compliance with Section 21(1) of Insurance Act 2003, the contingency reserve for non-life insurance business is credited with the greater of 3% of total premiums or 20% of the net profits (whichever is greater). This shall accumulate until it reaches the amount of greater of minimum paid-up capital or 50 percent of net premium. While for life business, the contingency reserves is credited with an amount equal to 1% of gross premium or 10% of net profit (whichever is greater) and accumulated until it reaches the amount of minimum paid up capital.

Leadway Vie maintains a Legal reserve in accordance with the provisions of Article 346 of the OHADA Treaty on Commercial Companies and Economic Interest Groupings, a company is expected to set aside 10% of its profit after tax, after payment of dividends minus carried forward losses as legal reserve. This ceases to be mandatory when the amount so set aside reaches 20% of its stated capital."

The distribution of contingency reserve is shown below:

	Group	
	31-Dec-21	31-Dec-20
Contingency reserves:		
Leadway Assurance company	17,665,658	15,312,636
Leadway Vie	1,469	1,473
	17,667,126	15,314,108

(ii) Asset revaluation reserve

This reserve is the accumulation of revaluation gain on the group's land and buildings. See statement of changes in equities for movement in asset revaluation reserve.

(iii) Fair value reserves

Fair value reserves includes the net accumulated change in the fair value of available for sale asset until the investment is derecognized or impaired. See statement of changes in equities for movement in fair value reserve.

(iv) Translation reserve

The translation reserve comprises foreign exchange differences on the translation to Naira of the results and financial position of the foreign subsidiary within the Group. See statement of changes in equity for movement in translation reserve.

24 Non controlling interest

Non controlling interest comprises:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Leadway Vie	399	397		
	399	397	-	-

Analysis of movement in controlling interest

(a) See statement of changes in equities for movement in non controlling interest during the period

(b) The financial information for the subsidiary with non-controlling interest are disclosed in note 15 (investment in subsidiaries) of these financial statements

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

25 Gross premium written

Gross premium

- Non-life business
- Life business

Decrease /(Increase)

- Unearned premium (see note (a) I below)

Gross premium income

- (a) Breakdown of changes in unearned premium is analysed as follows:

(i) Non-life business

- Motor
- Fire
- General Accident
- Agric
- Bond
- Marine
- Engineering
- Special risk
- Total for General Business**

Group life

(ii) Life business - Annuity & Ind. Life

- Individual life
- Annuity

26 Reinsurance expenses

- Reinsurance cost
- (Increase)/Decrease in unexpired reinsurance cost

Non-life

- Reinsurance cost
- (Increase)/Decrease in unexpired reinsurance cost

Life

- Reinsurance cost
- (Increase)/Decrease in unexpired reinsurance cost

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross premium				
- Non-life business	36,438,708	30,748,054	36,438,708	30,748,054
- Life business	34,185,645	23,110,890	33,668,849	22,905,622
	70,624,353	53,858,944	70,107,557	53,653,676
Decrease /(Increase)				
- Unearned premium (see note (a) I below)	(2,582,795)	796,132	(2,582,795)	796,132
Gross premium income	68,041,558	54,655,076	67,524,762	54,449,808
(a) Breakdown of changes in unearned premium is analysed as follows:				
(i) Non-life business				
	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Motor	(519,485)	260,167	(519,485)	260,167
Fire	(655,893)	(225,284)	(655,893)	(225,284)
General Accident	(304,455)	(83,265)	(304,455)	(83,265)
Agric	16,082	(229,177)	16,082	(229,177)
Bond	(172,045)	(388,754)	(172,045)	(388,754)
Marine	(36,674)	18,096	(36,674)	18,096
Engineering	(419,345)	75,210	(419,345)	75,210
Special risk	(278,824)	1,225,570	(278,824)	1,225,570
Total for General Business	(2,370,639)	652,563	(2,370,639)	652,563
Group life	(212,156)	143,569	(212,156)	143,569
	(2,582,795)	796,132	(2,582,795)	796,132
(ii) Life business - Annuity & Ind. Life				
	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Individual life	(1,296,013)	(1,555,548)	(1,127,490)	(1,463,641)
Annuity	79,634,329	(90,296,982)	79,634,329	(90,296,982)
	78,338,316	(91,852,530)	78,506,839	(91,760,623)
Reinsurance expenses				
	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Reinsurance cost	21,642,151	17,861,920	21,599,786	17,851,205
(Increase)/Decrease in unexpired reinsurance cost	(1,158,643)	(441,809)	(1,158,643)	(441,809)
	20,483,508	17,420,111	20,441,143	17,409,396
Non-life				
	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Reinsurance cost	19,437,298	16,381,916	19,437,298	16,381,916
(Increase)/Decrease in unexpired reinsurance cost	(1,017,139)	(268,728)	(1,017,139)	(268,728)
	18,420,159	16,113,189	18,420,159	16,113,189
Life				
	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Reinsurance cost	2,204,853	1,480,004	2,162,488	1,469,288
(Increase)/Decrease in unexpired reinsurance cost	(141,504)	(173,081)	(141,504)	(173,081)
	2,063,349	1,306,923	2,020,983	1,296,207

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

27 Commission income

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Commission earned on non-life insurance contracts	2,466,047	1,903,307	2,466,047	1,903,307
Commission earned on group life assurance contracts	626,598	426,005	618,140	423,077
	3,092,645	2,329,312	3,084,187	2,326,384

28 Analysis of Net Claims Expense

Combined

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross benefits & claims paid (see note 22.1c)	17,084,922	27,545,107	17,014,517	27,507,246
Annuity Payments	31,370,835	30,382,834	31,370,835	30,382,834
Change in provision for outstanding claims & IBNR	26,612,730	18,630,373	26,538,316	18,630,373
Gross claims incurred	75,068,487	76,558,314	74,923,668	76,520,453
Claims recovered from reinsurers	(3,788,356)	(13,977,789)	(3,786,407)	(13,977,788)
Proceed from salvage and subrogation	-	(2,170)	-	(2,170)
Change in reinsurance recoverable on outstanding claims & IBNR (see note 8c)	(23,453,416)	(19,022,336)	(23,453,416)	(19,022,336)
Total recoveries	(27,241,772)	(33,002,295)	(27,239,823)	(33,002,294)
Net claims incurred	47,826,715	43,556,019	47,683,845	43,518,159

Non-life business

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross benefits & claims paid	10,731,949	22,083,059	10,661,544	22,083,059
Change in provision for outstanding claims	23,479,313	17,387,413	23,479,313	17,387,413
Gross claims incurred	34,211,262	39,470,472	34,140,857	39,470,472
Claims recovered from reinsurers	(3,296,638)	(13,606,156)	(3,296,638)	(13,606,156)
Recoveries from salvage and subrogation	-	(2,170)	-	(2,170)
Change in recoverable on outstanding claims (see note 8c)	(22,887,635)	(18,708,447)	(22,887,635)	(18,708,447)
Total recoveries	(26,184,273)	(32,316,773)	(26,184,273)	(32,316,773)
Net claims incurred (a)	8,026,989	7,153,699	7,956,584	7,153,699

Life business

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Gross benefits & claims paid	6,352,973	5,462,048	6,352,973	5,424,187
Annuity Claims	31,370,835	30,382,834	31,370,835	30,382,834
Change in provision for outstanding claims	3,133,417	1,242,960	3,059,003	1,242,960
Gross claims incurred	40,857,225	37,087,842	40,782,811	37,049,981
Claims recovered from reinsurers	(491,717)	(371,632)	(489,769)	(371,632)
Change in recoverable on outstanding claims (see note 8c)	(565,781)	(313,889)	(565,781)	(313,889)
Total recoveries	(1,057,498)	(685,521)	(1,055,550)	(685,521)
Net claims incurred (b)	39,799,727	36,402,321	39,727,261	36,364,460
(a+b)	47,826,716	43,556,020	47,683,845	43,518,159

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

29 Underwriting expenses

Underwriting expenses can be sub-divided into acquisition and other maintenance expenses. Acquisition expenses relate to commission expenses incurred in obtaining and renewing insurance contracts. They include commissions or brokerage paid to agents or brokers. Maintenance expenses are those incurred in processing costs and other incidental costs.

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Acquisition expenses	6,441,182	4,279,152	6,356,352	4,274,421
Maintenance expenses	3,079,012	3,412,009	3,079,012	3,412,006
	9,520,194	7,691,161	9,435,364	7,686,427

30 Investment income

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Interest income on debt securities	30,200,296	28,644,896	30,200,296	28,643,445
Rental income	579,203	769,838	560,382	757,441
Interest on loans	2,113	43,245	60	43,245
Interest on short term deposits	815,155	635,515	811,522	633,343
Dividend income on investment securities	1,476,930	1,627,403	1,473,160	1,627,403
Profit/(Loss) on sale of investment securities	(6,024,971)	5,445,254	(6,024,971)	5,445,254
Interest income on statutory deposits	6,966	19,850	6,966	19,850
(Loss)/ Profit on Sale of Investment Property	73,278	89,745	73,278	-
	27,128,970	37,275,746	27,100,693	37,169,982

a. Profit/(Loss) from investment contracts

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
	(2,053,173)	4,747,796	(2,317,370)	5,036,633

The above figure relates to profit or (loss) for the year, see DA revenue in appendix (page 153)

31 Net fair value gain/ (loss) on assets at fair value

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Financial assets at fair value through profit or loss				
- Fair value gains/(losses) on listed equity securities	522,944	88,783	522,944	88,783
- Fair value gains/(losses) on listed debt securities	(84,808,443)	78,216,981	(84,808,443)	78,216,981
- Fair value gains/(losses) on investment property	596,737	(125,476)	596,737	(125,476)
	(83,688,762)	78,180,288	(83,688,762)	78,180,289

32 Other operating income

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Fee income on shared locations & services	12,434	12,315	12,434	12,315
Profit/ (Loss) on sale of property and equipment	852	467	852	467
Foreign exchange gain/(loss)				
- Investment securities	4,889,424	1,616,372	4,889,424	1,616,372
- Cash and cash equivalents	3,371,155	1,473,665	3,371,155	1,473,665
Write-back of provision no longer required	804,077	-	804,077	-
Legacy unallocated inflows	582,772	-	582,772	-
Tax provisions no longer required	239,173	-	239,173	-
Legacy accrual no longer required	177,949	-	177,949	-
Other income	275,644	434,591	254,830	243,421
	10,353,480	3,537,410	10,332,666	3,346,240

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Other income represents income on current account, surrender fees, policy fees, and other miscellaneous income that does not fall under income head above

- ii. The write-back of provision relates to reversal of accruals on reinsurance expense that were duplicated in the previous year
- iii. Legacy accrual no longer required represents over accrual for audit fees, valuation fees and other expenses in previous years that are no longer required

33 Employee benefit expense

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Wages and salaries - staff and executive directors	4,146,910	3,118,037	4,011,579	3,021,633
Pension cost - Defined contribution plan	126,723	61,248	126,723	61,248
Termination benefits (see note (d) below)	104,303	59,455	104,303	59,455
Profit sharing expense	608,546	566,808	608,546	566,808
	4,986,482	3,805,548	4,851,151	3,709,144

(a) Staff information

Employees earning more than N100,000 per annum, other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments in the following ranges:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Absolute	Number	Number	Number	Number
N101,001 - N500,000	-	-	-	-
N500,001 - N750,000	2	1	-	-
N750,000 - N1,000,000	1	-	-	-
N1,000,000 - N2,000,000	11	21	-	1
N2,000,000 - N3,000,000	11	9	1	-
Over N3,000,000	327	319	310	304
	352	350	311	305

(b) The average number of full time persons employed during the year was as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
	Number	Number	Number	Number
Executive directors	2	2	2	2
Management staff	38	41	33	35
Non-management staff	312	309	276	270
	352	352	311	307

© Directors' remuneration

(i) Remuneration paid to the directors is as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Salaries and wages	121,664	125,791	121,664	120,600
Directors' fees	262,923	172,237	231,388	167,430
Post-employment benefits	6,225	7,849	6,225	7,849
	390,812	305,877	359,277	295,879



Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Appendix

Group Financial Statement

Governance

Business Review

Overview

- (ii) The directors' remuneration shown above includes:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Chairman	53,561	38,743	39,265	38,202
Highest paid director	77,862	71,696	77,862	71,696

- (iii) The emoluments of all other directors fell within the following range:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Number	Number	Number	Number	Number
Above N4,800,000	12	12	9	8
N2,300,000 - N4,800,000	-	-	-	-
N1,500,000 - N2,300,000	-	-	-	-
N750,000 - N1,500,000	-	-	-	-
Below N750,000	-	-	-	-
	12	12	9	8

- (d) Termination benefit relates to payments made to disengaged staff during the relevant period.

34 Other operating expenses

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Contract staff cost	98,987	70,521	89,004	70,521
Asset repairs and maintenance	343,612	202,001	343,612	202,001
Corporate expenses and gift items	321,233	247,670	316,977	247,670
Telecommunication	830,172	649,629	721,375	644,022
Advertisement	759,916	875,180	744,635	870,949
Agency related expenses	25,574	65,447	25,574	65,447
Property insurance expense	41,550	44,839	41,550	44,839
Insurance supervisory fund	6,917	285	-	285
Professional fees	172,465	159,648	160,238	156,291
Travelling, tours and other passage exps.	161,589	112,147	159,548	111,560
Auditor's remuneration	85,669	55,829	85,669	55,829
Bank charges	110,483	92,972	107,157	92,972
Offices rates and rent	35,367	65,890	34,851	65,654
Training cost	87,837	64,441	87,837	60,980
Power and Fuel charges	309,233	138,883	306,109	137,905
Donations	56,022	205,507	56,022	205,507
Subscription	26,588	21,779	26,588	21,779
Depreciation of property and equipment	606,859	605,213	543,443	543,476
Amortisation of intangible assets	56,742	119,229	53,724	117,845
Directors' fees and allowances	219,904	206,177	207,726	201,370
Hotel accommodation expenses	18,309	6,501	13,079	6,501
Entertainment	28,181	21,266	22,976	21,266
Investment expenses	201,356	63,325	197,507	61,189
Other statutory & Regulatory Levy	688,866	311,256	688,866	311,256
Penalty & Fine	-	566,864	-	566,864
Others	60,227	128,773	52,904	122,527
	5,353,656	5,101,272	5,086,970	5,006,505

i. Investment expenses represents custody and other regulatory fees on investment activities during the year.

ii. Included in Professional fees is a total of N2,050,000 for Non-audit services rendered by Messrs. KPMG Advisory Services. See table below for details

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Name of The Firm	"Nature of Service"	Applicable Fees (Naira)
KPMG Advisory Services	Recruitment fees for non-executive director	2,050,000

iii. Other expenses are items that cannot be classified under the various expense head in note 34 above

35 Net impairment losses

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Impairment on trade receivable no longer required (see note 6a)	486,785	-	486,785	-
Impairment loss on other receivables (see note 10b)	71,765	-	71,765	-
Impairment loss AFS Financial asset (note 7.2)	-	31,644	-	31,644
Specific Impairment write back on loans (see note 11i)	112	(116,528)	112	(116,528)
Collective impairment write back on loans (see note 11i)	(1,371)	(29,306)	(1,371)	(29,306)
	557,291	(114,190)	557,291	(114,190)

36 Income tax expense

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Current tax on profits for the year:				
Company income tax	184,055	81,690	181,953	79,525
Under provision in prior year	31,930	-	-	-
Technology levy	124,873	107,468	124,873	107,468
Nigeria Police fund levy	618	501	618	501
Total current tax	341,476	189,659	307,444	187,494
Origination and reversal of temporary differences	234,291	36,243	234,291	36,243
	575,767	225,902	541,735	223,737

- (b) The tax on the group and company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Profit before income tax	11,956,794	11,413,184	12,487,251	11,533,278
Tax calculated at domestic rate applicable in Nigeria at 30% (2020: 30%)	3,587,038	3,423,955	3,746,175	3,459,983
Effect of:				
Tax exempt income	(35,541,183)	(10,481,108)	(35,541,183)	(10,481,108)
Non-deductible expenses	32,942,595	8,031,396	32,749,425	7,973,531
Technology levy	100,816	114,132	100,816	115,333
Tax assessment based on minimum tax	(122,651)	(321,322)	(122,651)	(321,322)
WHT paid on dividend	(43,936)	(62,406)	(43,936)	(43,936)
Capital allowance	(346,912)	(478,745)	(346,912)	(478,745)
Total income tax expense in comprehensive income	575,767	225,902	541,735	223,737

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Reconciliation of effective tax rate

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Tax calculated at domestic rate applicable in Nigeria at 30% (2020: 30%)	30.00%	30.00%	30.00%	30.00%
Effect of:				
Tax exempt income	-297.25%	-91.83%	-284.62%	-90.88%
Non-deductible expenses	275.51%	70.37%	262.26%	69.13%
Education tax	0.00%	0.00%	0.00%	0.00%
Technology levy	0.84%	1.00%	0.81%	1.00%
Capital gains tax	0.00%	0.00%	0.00%	0.00%
Tax assessment based on minimum tax	-1.03%	-2.82%	-0.98%	-2.79%
WHT paid on dividend	-0.37%	-0.55%	-0.35%	-0.38%
Capital allowance	-2.90%	-4.19%	-2.78%	-4.15%
Effective tax rate	4.82%	1.98%	4.34%	1.94%

Uncertainty over Income tax treatments

"The Company's Non life business keeps a reserve for unexpired risk. Section 16(8)(a) of CITA allows non-life businesses to take as a deduction, a 'reserve for unexpired risks'. This is the risk associated with future financial periods and includes the 'unearned premium' received by the insurer applicable to those periods. Therefore there is uncertainty around whether the deduction as permitted by the tax law is actually a 'tax exemption or a 'deduction' for that year. The Company has treated the reserve for unexpired risks as a tax exemption as the Company believes that the reserve for unexpired risks would will be allowed as an exemption.

The Company believes that its treatment of the reserve for unexpired risk for its non-life business is adequate based on its assessment of factors including interpretations of tax law and prior experience with the tax authorities."

37 Earnings Per Share

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Profit from continuing operations attributable to owners of the parent	11,381,027	11,187,282	11,945,516	11,309,541
Total	11,381,027	11,187,282	11,945,516	11,309,541
Weighted average number of ordinary shares in issue before deducting bonus shares	10,000,000	10,000,000	10,000,000	10,000,000
Weighted average number of shares in issue	10,000,000	10,000,000	10,000,000	10,000,000
Basic and diluted Earnings per share (kobo)				
From continuing operations	114	112	119	113
Total comprehensive income for the year	114	112	119	113

"The Company issued bonus shares effective 31 May 2018, the newly issued shares have been included as a part of the weighted average number of shares for the Earnings Per Share (EPS) computation. The EPS computation for prior period has been adjusted to include the newly issued bonus shares as though the bonus shares were issued in prior period in line with the requirements of IAS 33."

38 Dividend

The dividend declared and paid in 2021 was a cash dividend of N3.5bn (2020: N3.5bn) at 17.5 kobo per share (2020: 17.5 kobo per share). A cash dividend of N3.5bn will be proposed at the next annual general meeting in respect of the year ended 31 December 2021. This has been disclosed in the financial statement. The dividend is not subject to income tax.

Notes To The Financial Statements Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

39 Related parties

Leadway Assurance Company Limited is the ultimate parent/controlling party of the group. Related parties to the Company are as follows:

(i) Subsidiary

The Company has one subsidiary as at 31 December 2021. Transactions between Leadway Assurance Company Limited and the subsidiary also meet the definition of related party transactions. During the year, there was no balance from transactions with Leadway Vie.

(ii) Key management personnel

The key management personnel have been identified as the members of the board of directors (executive and non executive members), including their close members of family and any other entity over which they exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Leadway Assurance Company Limited.

The compensation paid or payable to key management personnel for employee services is disclosed in note 33c

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Salaries and other short term employee benefits	126,855	125,791	121,664	120,600
Pension cost - defined contribution	6,225	5,219	6,225	5,219
	133,080	131,010	127,889	125,819

Key management personnel and their immediate relatives engaged in the following transactions with the company during the year:

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Loans and advances to key management	15,329	43,877	15,329	43,877
Interest income earned by the company during the year	2,205	2,205	2,205	2,205
Rent	13,333	53,333	13,333	53,333
Premium paid to Leadway	2,153	285,46	2,153	285,46

40 Contingent liabilities, litigations and claims

The Group in the ordinary course of business is currently involved in 58 legal cases (2020: 65) valued at N7.65 billion (2020: 8.23 billion). The actions are being contested and the Directors are of the opinion that no significant liability will arise therefrom in excess of the provision that has been made in the financial statements.

In 2018, The National Insurance Commission (NAICOM) fined the Company the sum of N2,674,029,543 (\$7,458,730.70) for alleged failure to remit co-insurance premium within 30 days as required by the Market Conduct Guidelines for Insurance Institutions 2015 (the Market Guidelines).

Following the Company's objection to and appeal against the imposition of the fine and several engagements with the regulator, NAICOM reduced the fine to the sum of N566,863,533.40 (\$1,491,746.14) and directed the company to pay it in four instalments within 2021 financial year and in Naira. The fine was fully settled in 2021.

41 Contravention of laws and regulations

The Company in 2021 paid fines totaling Nil (2020: NIL). See table below for descriptions of the fines and amount paid

Nos	Description of fines	Amount N
I	Nil	Nil



Appendix To

Financial Statements

(Other National Disclosures)

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Value Added Statement

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	Group 2021	%	Group 2020	%	Company 2021	%	Company 2020	%
Gross premium income (Local)	70,624,353		53,858,944		70,107,557		53,653,676	
Investment income - Local	27,128,970		37,275,746		27,100,693		37,169,982	
Other income - Local	10,353,480		3,537,410		10,332,666		3,346,240	
Reinsurance, claims, commission & operating expenses - Local - Foreign	(79,834,632) (10,665,238)		(68,144,017) (10,584,897)		(78,940,112) (10,665,238)		(67,681,258) (10,584,897)	
Value added	17,606,933	100	15,943,186	100	17,935,566	100	15,903,743	100
Applied to pay:								
Employee benefit expense	4,986,482	28%	3,805,548	24%	4,851,151	26%	3,709,144	24%
Government as tax	575,767	3%	225,902	1%	541,735	3%	223,737	1%
Retained in the business								
Depreciation of Property and equipment	606,859	3%	605,213	4%	543,443	3%	543,476	3%
Amortisation of intangible assets	56,742	0%	119,229	1%	53,724	1%	117,845	1%
To augment reserve	11,381,083	65%	11,187,294	70%	11,945,513	67%	11,309,541	71%
Value added	17,606,933	100%	15,943,186	100%	17,935,566	100%	15,903,743	100%

Five Year Financial Summary

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

GROUP	2021	2020	2019	2018	2017
Cash and cash equivalents	42,969,621	58,200,553	27,050,020	33,666,913	29,043,554
Trade receivables	428,033	138,363	102,459	396,614	231,987
Investment securities	339,829,969	377,730,371	301,024,802	209,707,239	183,434,258
Reinsurance assets	83,278,314	58,399,894	39,051,024	43,758,359	35,235,353
Deferred acquisition cost	1,302,467	862,676	825,367	851,069	548,797
Other receivables and prepayments	6,217,668	3,068,475	1,505,351	1,471,347	4,663,679
Loans and advances	681,541	577,144	1,402,795	1,395,564	3,434,853
Property and equipment	4,983,106	5,012,375	4,561,664	3,585,224	6,751,530
Investment properties	20,084,060	19,062,755	18,467,449	19,096,447	15,637,546
Investment in associates	-	-	-	-	-
Deferred tax assets	-	-	-	-	313,462
Intangible assets	1,690,496	1,728,875	1,816,122	1,906,391	3,991,663
Statutory deposits	500,000	500,000	500,000	500,000	500,000
Total assets	501,965,275	525,281,481	396,307,053	316,335,167	283,786,682
Liabilities					
Trade payables	18,600,653	8,690,090	9,700,624	11,684,883	3,633,509
Current tax liabilities	1,002,283	815,776	884,553	1,141,689	1,820,530
Other liabilities	7,082,636	5,705,025	4,724,877	5,777,507	15,622,410
Borrowings	-	-	-	-	160,275
Insurance contract liabilities	357,594,400	406,737,188	297,025,538	227,462,674	183,982,546
Investment contract liabilities	35,917,975	33,970,668	28,409,487	21,890,990	22,532,309
Deferred tax liabilities	2,154,413	1,919,527	1,883,284	1,883,284	731,601
Total liabilities	422,352,360	457,838,274	342,628,363	269,841,027	228,483,180
Capital and reserves					
Issued and paid share capital	10,000,000	10,000,000	10,000,000	10,000,000	4,682,450
Share premium	588,575	588,575	588,575	588,575	4,433,748
Contingency reserve	17,667,126	15,314,109	13,650,079	11,734,200	10,472,100
Retained earnings	35,207,003	29,678,993	23,655,728	19,380,490	25,324,606
Assets revaluation reserves	1,666,408	1,607,272	1,558,699	1,497,290	1,694,017
Fair value reserves	14,196,940	9,938,279	4,198,892	3,090,660	5,832,593
Translation reserves	286,463	315,582	26,674	202,715	(79,688)
Shareholders funds:	79,612,515	67,442,810	53,678,647	46,493,930	52,359,826
Non controlling interest	399	397	44	210	2,943,676
Total Equity	79,612,914	67,443,207	53,678,691	46,494,140	55,303,502
Total equity and liabilities	501,965,274	525,281,481	396,307,054	316,335,167	283,786,682

Five Year Financial Summary Cont'd

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

COMPANY	2021	2020	2019	2018	2017
Assets					
Cash and cash equivalents	40,683,664	54,328,877	26,210,607	32,978,304	27,800,239
Trade receivables	353,132	97,211	102,459	395,585	231,987
Investment securities	339,734,094	377,637,000	300,626,105	209,289,720	179,922,719
Reinsurance assets	83,245,169	58,391,307	39,038,453	43,688,887	35,235,353
Deferred acquisition cost	1,302,467	862,676	825,367	851,069	548,797
Other receivables and prepayment	4,484,031	2,557,493	2,132,561	1,417,602	3,534,606
Loans and advances	681,541	577,144	1,402,795	1,395,564	1,065,407
Property and equipment	4,892,472	4,880,238	4,412,066	3,428,095	3,828,939
Investment properties	18,647,639	17,694,603	17,199,024	16,414,443	14,963,765
Investment in subsidiaries	5,674,730	5,590,448	2,153,425	2,153,425	3,637,495
Investment in associates	-	-	-	-	-
Deferred tax assets	-	-	-	-	286,446
Intangible assets	40,613	76,944	162,448	255,339	392,884
Statutory deposits	500,000	500,000	500,000	500,000	500,000
Total assets	500,239,552	523,193,941	394,765,310	312,768,033	271,948,637
Liabilities					
Trade payables	18,569,149	8,681,794	9,690,123	11,573,804	3,633,509
Current tax liabilities	956,651	788,560	859,502	1,083,948	1,119,536
Other liabilities	6,555,502	5,398,189	4,539,823	5,627,973	12,926,747
Insurance contract liabilities	357,062,781	406,448,505	296,704,133	225,437,157	183,982,546
Investment contract liabilities	34,288,014	32,067,632	26,796,212	21,890,990	22,532,309
Deferred tax liabilities	2,154,413	1,919,527	1,883,284	1,883,284	693,427
Total liabilities	419,586,509	455,304,207	340,473,077	267,497,156	224,888,074
Capital and reserves					
Issued and paid share capital	10,000,000	10,000,000	10,000,000	10,000,000	4,682,450
Share premium	588,575	588,575	588,575	588,575	4,433,748
Contingency reserve	17,665,658	15,312,636	13,648,609	11,732,730	9,877,208
Retained earnings	36,535,461	30,442,970	24,297,456	18,361,620	20,795,497
Assets revaluation reserves	1,666,408	1,607,274	1,558,701	1,497,292	1,435,516
Fair value reserves	14,196,940	9,938,279	4,198,892	3,090,660	5,836,144
Shareholders funds:	80,653,042	67,889,734	54,292,233	45,270,877	47,060,563
Total equity and liabilities	500,239,551	523,193,941	394,765,310	312,768,033	271,948,637



Five Year Financial Summary

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

STATEMENT OF COMPREHENSIVE INCOME

GROUP	2021	2020	2019	2018	2017
Gross premium written	70,624,353	53,858,944	90,665,609	88,039,621	84,189,079
Premium earned	47,558,050	37,234,965	70,931,286	69,811,623	69,811,623
Profit before taxation	11,956,794	11,413,178	9,627,543	9,533,005	13,448,965
Taxation	(575,767)	(225,902)	(436,592)	(2,269,424)	(652,304)
Profit for the year	11,381,027	11,187,276	9,190,951	7,263,581	12,796,661
Transfer to contingency reserve	(2,353,018)	(1,664,029)	(1,915,879)	(2,233,868)	(2,233,868)
Basic/diluted earnings per share (kobo)					
From continuing operations	114	112	92	39	93
From discontinued operations (kobo)	-	-	-	(8)	7
COMPANY	2021	2020	2019	2018	2017
Gross premium written	70,107,557	53,653,676	90,596,192	87,519,720	84,189,079
Premium earned	47,083,619	37,040,412	70,898,107	71,121,875	69,823,794
Profit before taxation	12,487,251	11,533,272	11,286,465	11,412,782	13,448,965
Taxation	(541,735)	(223,737)	(434,750)	(2,229,461)	(652,304)
Profit after taxation	11,945,516	11,309,535	10,851,715	9,183,321	12,796,661
Transfer to contingency reserve	(2,353,022)	(1,664,027)	(1,915,879)	(1,855,522)	(2,038,206)
Basic/diluted earnings per share (kobo)					
From continuing operations (kobo)	119	113	109	59	83
From discontinued operations (kobo)	-	-	-	-	-

Non-Life Business Statement of Financial Position

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Appendix

Group Financial Statement

Governance

Business Review

Overview

Leadway Assurance

	31-Dec-21	31-Dec-20
Assets		
Cash and cash equivalents	31,929,861	24,280,325
Investment securities	48,828,155	39,626,852
Trade receivables	327,210	36,012
Reinsurance assets	81,687,197	57,540,620
Deferred acquisition cost	1,302,467	862,676
Loans and other receivables	2,601,829	1,323,314
Investment properties	5,739,223	5,451,597
Intangible assets	40,613	76,944
Property and equipment	2,629,877	2,430,746
Statutory deposits	300,000	300,000
Total assets	175,386,432	131,929,086
Liabilities		
Insurance contract liabilities	109,228,925	83,378,971
Trade payables and other liabilities	22,048,218	11,506,954
Current tax liabilities	438,746	301,778
Deferred tax liabilities	1,910,635	1,702,327
Total liabilities	133,626,524	96,890,030
Capital and reserves		
Share capital	5,000,000	5,000,000
Contingency reserve	13,093,634	11,077,305
Retained earnings	17,180,327	11,472,286
Asset revaluation reserve	1,480,779	1,432,942
Fair value reserves	5,005,168	6,056,523
Shareholders funds:	41,759,908	35,039,056
Total equity and liabilities	175,386,432	131,929,086



Non-Life Business Income Statement

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Appendix

Group Financial Statement

Governance

Business Review

Overview

	31-Dec-21	31-Dec-20
Gross premium written	36,438,708	30,748,055
Add: Increase/(Decrease) in unearned premium	(2,370,639)	652,562
Gross insurance premium revenue	34,068,069	31,400,617
Reinsurance expense	(18,420,159)	(16,113,189)
Net insurance premium earned	15,647,910	15,287,428
Commission income	2,454,663	1,903,307
Total revenue	18,102,573	17,190,735
Claims expenses	(7,956,586)	(7,153,697)
Underwriting expenses	(6,394,795)	(5,317,871)
Net underwriting expenses	(14,351,381)	(12,471,568)
Total underwriting profit	3,751,192	4,719,167
Investment income	3,740,462	3,466,919
Net fair value gain/(loss) on assets at fair value	(442,690)	382,942
Other operating income	9,440,505	3,294,992
Gain on non-current assets distributed to owners	-	-
Employee benefit expenses and other operating expenses	(5,977,812)	(5,510,942)
	6,760,465	1,633,911
Net impairment gains/(losses)	(430,012)	(25,228)
Profit before tax	10,081,645	6,327,850
Income taxes	(432,274)	(1,056,190)
Profit for the year	9,649,372	5,271,660
Other comprehensive income:		
Fair value changes on available for sale financial assets	(1,051,355)	2,517,289
Dividend Payment	(1,925,000)	(3,500,000)
Revaluation gain on land & building	47,837	40,882
Other comprehensive income for the year, net of tax	(2,928,518)	(941,829)
Total comprehensive income	6,720,854	4,329,831

Non-Life Business Revenue Account

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	MOTOR	FIRE	GEN. ACC.	AGRIC.	MARINE	BOND	ENGINEERING	SPECIAL RISK	2021 TOTAL	2020 TOTAL
INCOME										
Gross premium written	5,220,177	5,284,585	3,093,940	1,454,796	2,453,416	243,869	1,296,287	17,391,638	36,438,708	30,748,055
Less: Increase/ (decrease) in unearned premium	(519,485)	(655,893)	(304,455)	16,082	(172,045)	(36,674)	(419,345)	(278,824)	(2,370,639)	652,562
Gross premiums earned	4,700,692	4,628,692	2,789,485	1,470,878	2,281,371	207,195	876,942	17,112,814	34,068,069	31,400,617
Reinsurance cost	(200,997)	(2,090,414)	(1,039,565)	(1,343,391)	(1,308,669)	(72,702)	(670,100)	(11,694,321)	(18,420,159)	(16,113,189)
Net premium earned	4,499,695	2,538,279	1,749,920	127,487	972,702	134,493	206,842	5,418,493	15,647,910	15,287,428
Commissions earned	86,378	401,406	174,889	245,722	306,419	21,516	189,250	1,029,083	2,454,663	1,903,307
Total underwriting income	4,586,073	2,939,685	1,924,809	373,209	1,279,121	156,009	396,092	6,447,576	18,102,573	17,190,735
EXPENSES										
Gross claims paid	(2,771,198)	(2,690,501)	(569,908)	(882,597)	(1,270,212)	(19,450)	(324,770)	(2,132,908)	(10,661,544)	(22,083,059)
Increase/(decrease) in outstanding claims provision	(52,145)	(278,787)	(138,147)	(472,983)	118,044	(30,487)	181,361	(22,806,169)	(23,479,313)	(17,387,413)
	(2,823,343)	(2,969,288)	(708,055)	(1,355,580)	(1,152,168)	(49,937)	(143,409)	(24,939,077)	(34,140,857)	(39,470,472)
Deduct: reinsurance claims recoveries/recoverable	106,800	989,537	281,513	1,288,256	449,705	138,958	235,825	22,693,676	26,184,270	32,316,775
Net claims incurred	(2,716,543)	(1,979,751)	(426,542)	(67,324)	(702,463)	89,021	92,416	(2,245,401)	(7,956,587)	(7,153,697)
Add: Underwriting expenses:										
Commission expenses	(579,191)	(860,389)	(466,612)	(134,734)	(423,263)	(22,006)	(168,393)	(1,420,898)	(4,075,485)	(3,198,169)
Acquisition expenses	(403,351)	(408,328)	(239,062)	(112,408)	(189,570)	(18,842)	(100,161)	(847,587)	(2,319,310)	(2,119,702)
Maintenance expenses	(982,542)	(1,268,717)	(705,674)	(247,142)	(612,833)	(40,848)	(268,554)	(2,268,485)	(6,394,795)	(5,317,871)
Total expenses and claims incurred	(3,699,085)	(3,248,468)	(1,132,216)	(314,466)	(1,315,296)	48,173	(176,138)	(4,513,886)	(14,351,382)	(12,471,568)
Underwriting profit/(loss)	886,987	(308,784)	792,592	58,743	(36,174)	204,182	219,954	1,933,692	3,751,192	4,719,167



Financial Performance

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Gross Premium
Net Premium
Total Underwriting Income
Investment Income
Claims expenses
Annuity Claim
Underwriting expenses
Underwriting Profit
Operating expenses
Profit before tax

Earnings per share

Performance ratios

Underwriting expenses ratio
Claims ratio
Operating expenses ratio
Combined ratio
Underwriting profit ratio

Non Life Business			
31-Dec-21		31-Dec-20	% Change
36,438,708		30,748,055	19%
15,647,910		15,287,428	2%
18,102,573		17,190,735	5%
3,740,462		3,466,919	8%
(7,956,586)		(7,153,697)	11%
-		-	0%
(6,394,795)		(5,317,871)	20%
3,751,192		4,719,167	-21%
(5,977,812)		(5,510,942)	8%
10,081,645		6,327,850	59%
1Naira		53kobo	

Using Gross Written Premium	
31-Dec-21	31-Dec-20
18%	17%
22%	23%
16%	18%
56%	58%
10%	15%

Using Net Written Premium	
31-Dec-21	31-Dec-20
41%	35%
51%	47%
38%	36%
130%	118%
24%	31%

Life Business Statement of Financial Position

As at 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-21	31-Dec-20
Assets		
Cash and cash equivalents	8,753,803	30,048,552
Investment securities	290,905,939	338,010,149
Trade receivables	25,922	61,199
Reinsurance assets	1,557,972	850,687
Loans and other receivables	4,481,655	2,804,317
Investment in subsidiaries	5,674,730	5,590,448
Investment properties	12,908,416	12,243,006
Intangible assets	-	-
Property and equipment	2,262,594	2,449,491
Statutory deposits	200,000	200,000
Total assets	326,771,031	392,257,849
Liabilities		
Insurance contract liabilities	247,833,854	323,069,535
Investment contract liabilities	34,288,014	32,067,631
Trade payables and other liabilities	4,994,347	3,566,029
Current tax liabilities	517,905	486,783
Deferred tax liabilities	243,778	217,200
Total liabilities	287,877,898	359,407,178
Capital and reserves		
Share capital	5,000,000	5,000,000
Share premium	588,575	588,575
Contingency reserve	4,572,023	4,235,335
Retained earnings	19,355,133	18,970,682
Asset revaluation reserve	185,629	174,330
Fair value reserves	9,191,772	3,881,755
Shareholders funds	38,893,132	32,850,677
Total equity and liabilities	326,771,031	392,257,850



Life Business Income Statement

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

	31-Dec-21	31-Dec-20
Gross premium written	33,668,850	22,905,622
Add: Increase/(Decrease) in unearned premium Group life	(212,156)	143,569
Gross insurance premium revenue	33,456,694	23,049,191
Reinsurance expense	(2,020,983)	(1,296,207)
Net insurance premium earned	31,435,711	21,752,984
Commission income	629,523	423,077
Total revenue	32,065,234	22,176,061
Gross benefits and claims paid	(37,723,809)	(35,807,022)
Increase in annuity fund	79,634,329	(90,296,982)
Increase in individual life fund	(1,127,490)	(1,463,641)
Claims ceded to reinsurance	1,055,550	685,521
Gross change in contract liabilities	(3,059,003)	(1,242,960)
Underwriting expenses	(3,040,569)	(2,368,559)
Net Underwriting expenses	35,739,007	(130,493,644)
Total Underwriting (loss)/profit	67,804,241	(108,317,583)
Investment income	23,361,083	33,703,063
Profit/(Loss) on investment contracts	(2,317,370)	5,036,639
Net fair value gain/(loss) on assets at fair value	(83,246,073)	77,797,347
Other operating income	892,680	51,247
Employee benefit expenses and other operating expenses	(3,960,306)	(3,204,705)
Result of operating activities	(65,269,986)	113,383,591
Net impairment gains/(losses)	(128,650)	139,419
Profit before tax	2,405,605	5,205,427
Income taxes	(109,462)	832,453
Profit for the year	2,296,143	6,037,880
Other comprehensive income:		
Fair value changes on available for sale financial assets	5,310,017	3,222,098
Revaluation gain on land & building	11,300	7,690
Other comprehensive income for the year, net of tax	5,321,317	3,229,788
Total comprehensive income	7,617,460	9,267,668

Life Business Revenue Accounts

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

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Financials

Insurance

Investment

Other

Notes

Appendix

Leadway Assurance

2021

	Individual Life	Group Life	Annuity	2021 Total	2020 Total
Income					
Gross premium written	3,414,261	7,371,127	22,883,463	33,668,851	22,905,623
Increase/Decrease in unearned income	-	(212,156)	-	(212,156)	143,569
Gross premium income	3,414,261	7,158,971	22,883,463	33,456,695	23,049,192
Reinsurance expenses	(82,175)	(1,933,592)	-	(2,015,767)	(1,296,207)
Premium retained	3,332,086	5,225,378	22,883,463	31,440,928	21,752,984
Commissions earned	11,383	618,140	-	629,523	423,077
Investment income	494,111	1,082,690	20,983,928	22,560,729	33,703,063
Fair value gain/ (loss) on bond	(332,881)	(477,229)	(82,162,687)	(82,972,798)	77,797,347
Fair Value Gain on Investment property	-	-	-	-	-
Other income	7,858	15,898	145,946	169,703	51,247
Total income	3,512,557	6,464,876	(38,149,352)	(28,171,916)	133,727,718
Direct claims paid	(1,016,561)	(3,203,812)	(2,132,601)	(6,352,974)	(5,424,188)
Surrenders	-	-	-	-	-
Annuity payments	-	-	(31,370,835)	(31,370,835)	(30,382,834)
Gross claims incurred	(1,016,561)	(3,203,812)	(33,503,435)	(37,723,809)	(35,807,022)
Deduct:					
Reinsurance claims recoveries/recoverables	-	1,009,837	-	1,009,837	685,521
Provision for Outstanding Claims	(113,603)	(2,900,111)	(124,323)	(3,138,037)	(1,242,960)
Net claims incurred	(1,130,164)	(5,094,086)	(33,627,758)	(39,852,008)	(36,364,461)
Provision for unexpired risk	(1,127,490)	-	79,634,329	78,506,839	(91,760,623)
Employee benefit expenses	(751,406)	(565,818)	(439,075)	(1,756,298)	(1,578,683)
Commission expenses	(829,385)	(608,292)	(843,190)	(2,280,867)	(1,342,635)
Maintenance expenses	(76,822)	(239,107)	(780,461)	(1,096,390)	(851,220)
Operating expenses	(783,608)	(590,066)	(457,891)	(1,831,565)	(1,625,828)
Total expenses	(4,698,875)	(7,097,369)	43,485,954	31,689,710	(133,523,450)
Underwriting result	(1,186,318)	(632,494)	5,336,603	3,517,794	204,268

	Group 31-Dec-21	Group 31-Dec-20	Company 31-Dec-21	Company 31-Dec-20
Income				
Investment Income	3,121,976	3,673,248	3,137,881	3,657,228
Profit/Loss from sale of investment	(689,588)	3,591,117	(689,588)	3,591,117
Valuation gain on property	-	305,606	-	-
Unrealised gains/(losses) from investment	(2,014,232)	1,252,969	(2,014,232)	1,156,959
Other income	318,372	-	330,080	-
	736,527	8,822,940	764,141	8,405,303
Expenses				
Acquisition expenses	(338,929)	(664,592)	(386,646)	(648,485)
Maintenance cost	(483,847)	(266,383)	(483,847)	(266,383)
Interest on Deposit Administration	(1,447,689)	(2,036,633)	(1,447,689)	(1,999,964)
Management Expenses	(519,235)	(1,107,536)	(763,329)	(453,838)
	(2,789,700)	(4,075,144)	(3,081,511)	(3,368,670)
PROFIT/(LOSS) FROM DEPOSIT ADMINISTRATION	(2,053,173)	4,747,796	(2,317,370)	5,036,633



Financial Performance

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Gross Premium
Net Premium
Total Underwriting Income
Investment Income
Claims expenses
Annuity Claim
Underwriting expenses
Underwriting Profit
Operating expenses
Profit before tax

Earnings per share

Performance ratios

Underwriting expenses ratio
Claims ratio
Operating expenses ratio
Combined ratio
Underwriting profit ratio

Life Business			
31-Dec-21		31-Dec-20	% Change
33,668,850		22,905,622	47%
31,435,711		21,752,984	45%
32,065,234		22,176,061	45%
23,361,083		33,703,063	-31%
(6,352,974)		(5,424,188)	17%
(31,370,835)		(30,382,834)	3%
(3,040,569)		(2,368,559)	28%
67,804,241		(108,317,583)	-163%
(3,960,306)		(3,204,705)	24%
2,405,605		5,205,427	-54%
19kobo		60kobo	

Using Gross Written Premium	
31-Dec-21	31-Dec-20
9%	10%
19%	24%
12%	14%
40%	48%
9%	10%

Using Net Written Premium	
31-Dec-21	31-Dec-20
10%	11%
20%	25%
13%	15%
42%	51%
10%	11%

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Life Business Annuity Statement

For The Year Ended 31 December 2021

(All amounts in thousands of Nigerian Naira unless otherwise stated)

Leadway Assurance Company

Annuities' Portfolio at 31st December 2021

Annuity Business by nature, type and their operation.

Title	Number of Policies	Classification	Operations Procedure
PRA Regulated Annuities	49,784	Risk	Quotation; Provisional Agreement; NAICOM Approval; Premium Remittance By PFC; Despatch Policy Document; Administration
Annuities Certain	107	Risk	Quotation; Premium Remittance; Despatch Policy Document; Administration

Annuity Liabilities, Investment Income and Pay Out.

Title	Liability As At 31 December 2021 (N'000)	Investment Income (N'000)	Pay Out (N'000)
PRA Regulated Annuities	230,893,748	21,019,126	33,503,435
Annuities Certain	671,079	110,748	-

Note The information above corresponds with the report of the Actuarial Valuation as at 31st December 2021

The assets backing Annuity Funds are as follows:

S/N	ASSET TYPE	ANNUITY		ANNUITY CERTAIN	
		(N'000)	%	(N'000)	%
1	Money Market	1,522,416	88	201,282	12
2	Quoted Shares	151,977	53	135,462	47
3	Corporate Bonds	2,989,835	100	-	-
4	FGN/State Bonds	223,461,386	100	334,335	0
5	Real Estate	-	-	-	-
6	Treasury bills	149,446	-	-	-
7	Unquoted Securities	-	-	-	-
	TOTAL	228,275,059	48.72	671,079	8.42



Leadway At A Glance

YEAR OF INCORPORATION	1970
COMMENCEMENT OF OPERATIONS	1971
FINANCIAL YEAR END	31 st December
SHAREHOLDERS' FUNDS	₦ 80 Billion (as at 31 December 2021)
TOTAL ASSET BASE	₦ 502 Billion (as at 31 December 2021)
CLASSIFICATION	All classes of Insurance, Managed Funds & Trusteeship
NUMBER OF BRANCHES	24 (excluding Registered office & Corporate office)
ASSOCIATE COMPANIES	Leadway Capital & Trusts Limited Leadway Properties & Investments Ltd. Leadway Hotels Limited Leadway Pensure PFA Limited Leadway Asset Management Leadway Health
SUBSIDIARY	Leadway Vie
NUMBER OF EMPLOYEES	311 (as at December 31, 2020)
FOUNDER	Sir Hassan O. Odukale (1926-1999)
DIRECTORS	<div> <div> Gen. (rtd) Martin Luther Agwai Mr. Tunde Hassan-Odukale Ms. Adetola Adegbayi Mr. Odein Ajumogobia Mr. Martyn Parker Mr. Ire Hassan-Odukale Mr. Seyi Bickersteth Ms. Hadiza Aliko Mohammed Mrs. Adebisi Lamikanra Dr. Ademola Odeyemi </div> <div> Chairman, Independent Managing Director Executive Director Non-Executive Director, Independent Non-Executive Director Non-Executive Director Non-Executive Director, Independent (deceased) Non-Executive Director, Independent (Appointed wef 1 April, 2021) Non-Executive Director, Independent (Appointed wef 19 July, 2021) Non-Executive Director, Independent (Appointed wef 28 September, 2021) </div> </div>
MANAGEMENT STAFF	Mr. Tunde Hassan-Odukale - Managing Director/CEO Ms. Adetola Adegbayi – Executive Director, General Insurance Mr. Gboyega Lesi – Commercial Director Mr. Allan Olufade Suradj – Regional Director Mrs. Kunbi Adeoti – Human Resources Director Mr. Odalo Aimufia – Chief Information Officer Mr. Ernest Aziagba – General Insurance Actuary Director Mr. Tunde Alao-Olaifa – Strategy & Special Projects Director Mr. Bamidele Lawal – Chief Technical Officer Mrs. Kikelomo Fischer – Enterprise Risk Management Director Mr. Olumide Hanson – Company Secretary Mrs. Yemisi Rotimi - Chief Financial Officer
COMPANY SECRETARY	Mr. Olumide Hanson



Branch Network

Branch Offices

Registered office:

NN 28/ 29 Constitution Road, Kaduna.

Corporate office:

Leadway Assurance Company Limited
121/123 Funso Williams Avenue, Iponri Lagos.Branch Network

ABUJA BRANCH

Leadway House
Plot 1061, Herbert Macaulay Way
Central Business District,
Cadastral Zone, Abuja

ABEOKUTA BRANCH

Seriki Fadare Plaza
Presidential Boulevard
Oke Mosan, Abeokuta

AKURE BRANCH

NACRDB Building
Ado - Owo Road, Alagbaka
Akure

ABUJA AGENCY OFFICE

50, Kumasi Crescent
Off Aminu Kano Crescent

ADO-EKITI AGENCY OFFICE

Plot 5, Bank Road Beside
Mainstreet Bank, Ado Ekiti

APAPA AGENCY OFFICE

Union Bank Building
2, Warehouse Road
Apapa, Lagos.

ABA AGENCY OFFICE

193, Faulks Road beside Stanbic IBTC
Bank. Aba Abia State

ASABA AGENCY OFFICE

No. 1, Stadium road 200 Nnebisi Road
Asaba Delta State

Awka Agency Office

1, Ozoagu Square Albertina Compound
Aroma junction, Awka Anambra State

ASPAMDA Agency office

Zone D, Block 4, ASPAMDA PLAZA
Trade fair Lagos

Benin branch

84 Akpakpava Street
Benin City

Calabar branch

141 Ndidem Usang Iso Road/
Marian Road, Calabar

ENUGU BRANCH

Akalaka House (2nd floor) 127/129
Chime Avenue
New Haven, Enugu

FESTAC BRANCH

Twin Place, Plot 2015, Block 18A,
Amuwo-Odofin Government Scheme
Festac

GBOKO AGENCY OFFICE

NO. 11, J.S Tarka Way
Gboko

GOMBE AGENCY OFFICE

Doma Plaza, 1ST Floor, Room 26
BIU Road, Gombe

IKORODU AGENCY OFFICE

225/227 Ikorodu Road Ogolonto
Ikorodu Lagos

IKOTA BRANCH

Shop H408-409 & H428-429
Ikota Shopping Complex
VGC - Ajah Lagos State
Ikeja Branch
77, Opebi Road
Ikeja Lagos

IGANMU AGENCY OFFICE

10 Abebe Village road
Iganmu, Lagos

IBADAN BRANCH

25, Morgaji Are Rd
Iyaganku GRA
Off Moshood Abiola Way, Ibadan

ILORIN BRANCH

163, Ajase-Ipo Road
Gaa-Akanbi Junction Road
Anu Oluwapo complex
Ilorin, Kwara State

JOS BRANCH

2A Ibrahim Taiwo Rd
GRA, Jos

KADUNA LIFE OFFICE

10, Wushishi Road by
Ahmadu Bello Way, Kaduna.

KATSINA AGENCY OFFICE

Kaita Shopping Complex building
Nagogo Road, Kastina

KANO BRANCH

(Fustan House) 25 Zaria Road,
Gyadi-Gyadi Round About, Kano

LOKOJA AGENCY OFFICE

Suite 24, first floor, Lokongoma Plaza
Okene Road, Lokoja Kogi State

LEKKI BRANCH

Garnet Building
Lekki-Epe Expressway, Lekki

MARINA BRANCH

24, Campbell Street
Lagos Island, Lagos State

MAKURDI BRANCH

Last Floor, 8 Railway bye pass,
Near Zenith bank, Makurdi

OSHOGBO BRANCH

2nd floor, Moye House
Km 2, Gbogan/Ibadan Road
Oshogbo, Osun State

OWERRI AGENCY OFFICE

Plot C11, Onitsha Road lay out
Control Post Owerri Imo state

ONITSHA AGENCY OFFICE

87, Upper New Market road
Onitsha Anambra State

PORT HARCOURT BRANCH

8 Igbodo Street, Old GRA
Port Harcourt

SAGAMU BRANCH

13, Isale Oko road
Sagamu

SOKOTO BRANCH

15A Kano Road
Close to Central Bank of Nigeria
Sokoto

UYO BRANCH

140 Atiku Abubakar Way
Uyo

VICTORIA ISLAND AGENCY OFFICE

No. 10, Adetokunbo Ademola Street
Victoria Island Lagos

WARRI BRANCH

Ecobank Building
60 Effurun/Sapele Road Warri

YOLA AGENCY OFFICE

Sabru House, 30, Mubi Road
Jimeta, Yola

YENAGOA BRANCH

Imgbi Road
Opp. Spring Bank, Amarata

ZARIA BRANCH

Last floor, UBA building by PZ
Kaduna Road Zaria

* Asterisked offices are domiciled in Lagos



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Tel: (01) 2700 700

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